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**the ROYAL COMMISSION on the
NORTHERN ENVIRONMENT**

A SELECTED OVERVIEW OF ONTARIO'S
PUBLIC DECISIONAL FRAMEWORK OF
NORTHERN PRIMARY RESOURCE DEVELOPMENT

**Funding Program
Report**



ROYAL COMMISSION ON THE NORTHERN ENVIRONMENT

J.E.J. FAHLGREN, COMMISSIONER

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PUBLIC DECISIONAL FRAMEWORK OF
NORTHERN PRIMARY RESOURCE DEVELOPMENT

by

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Introduction

The mandate of the Royal Commission on the Northern Environment is to study resource and economic development north of 50° in Ontario, and to recommend a range of alternative scenarios for the future of this area. In fulfilling its mandate, the Commission has contracted the Northern Development Research Group to describe the provincial government's decision making process in relation to primary resource developments. In order to achieve this goal the report will focus on two broad areas: (1) those institutional determinants and constraints on decision-making and their effects, including governmental policy and programmes; (2) non institutional influences which constitute the various interests and political forces attached to northern resource development issues. The examination of these areas will permit the identification of major issues related to primary resource development, the extent of governmental control over such issues, and finally an analysis of the government's ability to deal with these problems.

The geographical focus of this study will include the Districts of Parry Sound, Nipissing, Manitoulin and the land mass north of these Districts within Ontario (see map). For most administrative purposes this area at least is considered north. For example, the Ministry of Northern Affairs has jurisdiction over the District of Kenora, Rainy River, Thunder Bay and the Patricia area. The provincial government's definition of the boundaries of Northern Ontario has changed frequently over the last 50 years, with the latest alteration (to include Parry Sound) occurring in 1977 (Brock, 1978). A precise definition of northern Ontario is not fundamental



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Northern Ontario



for the purpose of this study since the focus will be on governmental programmes and policies which may be applicable to the south as well. However, for a number of reasons the north has long been recognized as fundamentally different from the rest of the province and, therefore, merits a special analysis. The north differs considerably from southern Ontario in that it lies above the northern edge of intensive agricultural and industrial development and population density. It is further distinguished by climate, and above all, by its abundance of natural resources.

Characteristics of the North

In 1978 it was estimated that there were 808,969 people (9.6% of the total Ontario population: Ministry of Treasury and Economics, 1979) living in the north. Of this total, approximately 30,000 inhabitants lived in tiny scattered communities north of 50°. Thunder Bay and Sault Ste. Marie are the largest population centres in the north; other smaller communities include Kenora, Fort Frances and Red Lake. The rest of the population lives primarily in small, isolated, one-industry towns or scattered settlements dependent on trapping and fishing for subsistence.

Most communities are quite isolated and are often served by only one mode of transportation (air, road, rail or water). The great distances between communities add remoteness to the already isolated nature of the north and contribute to the feeling of alienation experienced by northern inhabitants (Weller, 1977).

The climate of the north profoundly inhibits development of the area due to the extreme temperatures (between 42.2° C

and -58.3° C) and unusual conditions. Permafrost exists continuously in the far north-west areas of the Hudson Bay Lowlands and sporadically further south. The mean annual growing season is between 130 to 160 days with 75 to 85 frost-free days (Royal Commission on the Northern Environment, 1978).

The most important geographical formation of the north is the Precambrian Shield with its rocky surfaces, shallow soils and muskeg. Over the years, the Shield has eroded to reveal deposits of minerals such as uranium, iron, silver, nickel and gold allowing a great potential for mineral resource development.

Certain species of trees such as spruce, jackpine, poplar and birch grow in the area. Once thought to provide a potential for renewable resource development, they are no longer in abundance. Logging operations north of 50° constitute approximately 11 percent of Ontario's annual harvest.

Northern Conditions on Resource Development

The above factors have a profound influence on northern primary resource development. The term 'resources' has been defined as "an input to a production process which yields an intermediate good which in trade is usually referred to as a commodity" (Anders et al., 1977). Therefore, a material is not regarded as a resource unless there is effective demand for one of its components at a price higher than that at which it can be produced. In other words, "resources are not - they become" (Scott, 1973). The sparse populations in most areas often means that labour is recruited from southern communities at a higher cost and goods are

marketed in the south as well. The relative isolation of the resources means greater distances for transporting materials, and in some cases necessitates the building of transportation networks (roads, airports, ferry docks, etc.). The great distances affect other areas of resource development, such as access to power sources, and increase costs for communication systems. As well, the harsh climatic conditions have a profound influence on resource development and in some cases developments are limited to certain seasons or special equipment is required. All these factors impinge upon what Scott (1973) calls the economic viability of northern resource development: though natural resources are available in the north, the economics of resource extraction limits their value.

In addition to the unique conditions of the north, other factors have an impact on primary resource development. The economic viability of projects is greatly influenced by world markets, which are beyond governmental control. The extremely high capital costs of resource developments limit extraction to larger companies. The initial costs of making a mining claim are approximately \$12,000 on a do-it-yourself basis, which includes staking the claim, a survey, and a license (Royal Commission on the Northern Environment, 1978). Thus interest rates are also important.

1.1 The Decisional Environment

The context or environment in which decision-making occurs is often important in influencing the nature of decisions made. Two essential characteristics of the decisional environment of northern resource development decision-making in Ontario are noted by Emond

(1977: 1). A central feature of such decision-making is the mix of 'public' and 'private' sector decisions. Most development decisions initially come from the corporate sector and then are followed by governmental approval and various regulatory decisions. The decision process is not a one-way flow, however, and in the area of energy development in particular, the provincial government is not a neutral referee (and one might legitimately question whether it should be), but rather is an active agent of development. Further, though corporate and governmental decision-making must respond to somewhat different imperatives, decisions taken in each sector cannot be isolated and are becoming increasingly interdependent.

A second key feature of the decisional environment is the degree of salience which these decisions have for northern residents and other interested parties. Both the process and the base of these decisions have generated a great deal of controversy and even hostility. The pattern of policy demands relating to resource development and its environmental implications is deeply fragmented, ranging from a pro-development stance to almost complete opposition to further development. Such differences in perspective involve, to a point, a clash of cultures between the white and the resident native population. As such, conflict over concepts of land use and development, as well as alienation from mechanisms of decision-making are fundamental problems that reflect different patterns of social and political development.

The disagreement and hostility surrounding such issues seems unlikely to dissipate, at least in the short term. Because of the long term implications which such decisions have on Ontario's

north and its residents, decisions made in both sectors will in the future probably become more closely tied to questions of public policy. Decision-making in general will become more politicized. On what basis then can the relative 'need' for continued resource development be determined? What 'costs' of such development are acceptable? On what basis can such questions be analysed and resolved?

Other factors also impinge upon the utility of northern resource extraction. The north is ecologically fragile and thus presents major difficulties to resource developers who must reduce the environmental consequences of their extractions. The forest industry has already shrunk to a drastic extent because regeneration is slow (presently approximately 50% of the logged areas are likely to regenerate: Lie, 1978) and water and air pollution are present. The reduction of environmental consequences from resource extraction necessitates governmental involvement, for environmental controls reduce the utility of resource extraction and are not essential to obtain the resources. Thus, the government must determine what levels of environmental damage are considered acceptable in relation to the benefits that will be obtained from resource extraction.

Another factor which impinges on northern resource extraction is the demand for alternate land uses expressed by the native peoples and wilderness and parks groups. Complaining that primary resource development in the north will drastically affect their traditional hunting and fishing subsistence, native people are opposed to unlimited resource extraction (Rickard, 1977). Wilderness groups have argued for a comprehensive land use plan which would include designated wilderness areas (Coalition for Wilderness, Janu-

ary, 1974). Such pressures for alternate land uses must be responded to by the provincial government.

Resource developments, especially in frontier areas, have recently been subject to criticisms by northern inhabitants (especially the natives) concerning the negative social effects which often accompany such developments. When resource developers extract resources from the land large numbers of workers and equipment are imported, usually for a short time span, creating a boom or bust cycle which is a common characteristic of northern communities. The new economic conditions coupled with the diminishing resources which sustained the natives' lifestyle, have in many instances created a dependence on whites for subsistence (Northern Development Research Group, 1979). The negative social effects of such developments have been examined by other authors (Berger, 1977; Gemini North Ltd., 1974). The northern inhabitants have created pressures on the government and resource corporations to minimize these effects.

Most of the preceeding discussion has focussed on conditions which hinder resource development. However, there are obvious incentives for resource development. Resource industries create a number of jobs, either directly or indirectly. For example, 71% of northern jobs are in non-manufacturing. Menzies (1969) identified 31,000 direct jobs in forestry in 1966. The mining industry employed 33,000 in 1966, which had dropped to 26,000 in 1972 (Anders et al., 1977). Primary resource activities constitute the economic backbone of the north.

The provincial government arbitrates between interests contending for alternate land uses, and regulates the undesirable

effects of resource development. Also the government provides incentives for resource developments.

1.2 Assumptions and Approach

Decision-making is usually characterized as the selection of a course of action from among competing alternatives (Praeger, 1975). Decisional analysis, however, must go beyond the act itself to the activities which are ancillary to it, as well as those influences upon it. Many approaches exist to conceptualize, understand and examine the elements of decision-making. Various models such as Easton's systems model (Easton, 1965), group theory, elite theory, Lasswell's functional processes (Lasswell, 1956), and the institutional approach, usually relate specific decisions to the broader political systems.

This study focuses on two major areas: the public sector and the non-governmental actors and interests. In the first section the jurisdictional function of the provincial government will be explored. The provincial government's power in the area of resource development will be examined in relation to the control of the federal and municipal government. Then a short section will outline the goals and structure of the provincial government and the three ministries viewed as most relevant to resource development: the Ministry of Natural Resources, the Ministry of Environment and the Ministry of Northern Affairs. The following section will analyse specific governmental policies which determine land use (i.e. resource development versus wilderness areas, etc.) and provide constraints

or incentives to the resource companies. The study rests largely on the assumption that governmental decisions can be best understood by examining specific programmes and policies. However, a more detailed analysis of governmental processes is presented through a more in-depth analysis of the effect of the Environmental Assessment Act on resource development decisions.

Many decisions which do not speak directly to primary resource development, none the less, have an impact upon these developments: tariffs, infra-structure community development, minimum wages, health standards and practically all acts and regulations related to the economy. This study focusses on decisions which directly affect land use and environmental health standards through regulations, acts or direct incentives.

The next section will explore non-governmental actors and interests and assess their impact on governmental policies. In this section major interest groups examined include northerners as a whole, wilderness groups, native interests, environmental groups and the corporate sector.

Many approaches employ economic conceptions of decision-making (Ontario Economic Council, 1976 and 1977), rely upon cost benefit analysis and readily quantifiable economic factors. While such analysis usually reflect a concern for efficient allocation of resources, both public and private, they also tend to assume a 'right' to develop provided only that relative balance of costs and benefits can be optimized. However, it is necessary to go beyond purely questions of efficiency in decision-making and approach some basic notions of political equity which emanate from such a process. As

Emond (1977) has written,

... one need only note the public furor over the Reed and Onakawana proposals to know that there is a basic flaw in the decision-making process. Something is wrong with a process that produces so many decisions that generate so much hostility and opposition. p. 12

Thus it seems necessary to integrate both empirical and normative concerns into decisional analysis and to include political science concerns such as legitimacy and justice in addition to the concerns of economics.

As Emond (1977) has pointed out, basic policy decisions respecting northern development can not easily be characterized as 'right' or 'wrong' because such a determination depends on prior subjective values which "... do not lend themselves to empirical validation" (Emond, 1977: 2). It is more profitable to assess decision-making against two relatively objective criteria which can be measured empirically: (1) efficiency (2) legitimacy.

Efficiency: This may be measured along several dimensions: Time - the ability of a process of decision-making to respond within a reasonable time frame to development and resource planning.

Consistency - the decisions taken within such decision-making processes should be internally consistent and should accord with stated objectives. Evaluation - such decisional mechanisms should have the ability to assess accurately all costs and benefits associated with development decisions.

Legitimacy: The degree to which public confidence is generated toward such decisions and decision-making. Decision structures and

processes must be able to accomodate the political forces surrounding northern resource development issues. Decision-makers must be accountable for the results of their decisions to both the various constituencies of resource development and the public at large. The process should maximize the amount of public participation toward that end.

2. Problems of Jurisdiction

In discussing the causes and consequences of this disaster, how is it that the two levels of government, provincial and federal, have so successfully managed to pass the buck to each other in an attempt to avoid responsibility? (Anti-Mercury Ojibway Group, Whitedog, in Royal Commission on the Northern Environment, December 1978: 2824).

As the making of decisions implies some authority to do so, there is an implicit relationship between public sector decision-making and constitutional jurisdiction. Jurisdictional problems may thus provide real obstacles to decisional activities.

The mix of jurisdictions within the natural resource policy field and those surrounding northern development issues is complex. The limits and boundaries of both federal and provincial action and control are neither simple nor clearly defined. Two principal aspects determine jurisdictional control; legislative authority and resource ownership (Thompson and Eddy, 1973). In terms of legislative jurisdiction, the provisions of the British North America Act are imprecise and allow a wide latitude of interpretation. Under section 92, the provinces are given authority with respect to 'the management and sale of public lands' (S.92(5)), 'property and civil rights' (S.92(13) and 'matters of a merely local and private nature (S.92()). Section 91, however, provides Parliament with legislative authority concerning 'the public debt and property' (91(1(a))) and 'Indians and lands reserved for Indians' (91(24)). It also outlines federal declaratory and general spending power which can override provincial powers and ownership rights in some circum-

stances. Jurisdictional claims are therefore ambiguous at best.

In certain sectors, there is a further entanglement. Generally speaking, each province acts to regulate forest and mineral production within its boundaries. However, in the case of fish and water resources, an active management role is played by the federal level through its control of the 'sea coast and inland fisheries'. At the same time provincial governments have been able to legislate on such matters through their ownership rights as seen for example in the Ontario Water Resources Act. In the marketing and transportation of natural resources, the provincial legislature has authority under S.92 'property and civil rights' , as long as the function occurs wholly within its boundaries. However, once such activities cross provincial borders or involve export, the Dominion government assumes control of many aspects.

Resource ownership complicates the picture somewhat. In broader terms, the provinces own the natural resources within their borders. Ownership of the bulk of Crown lands and resources has been a prerogative retained since Confederation. There are, however, specific exemptions in the case of Indian lands, national parks, defence lands and federal public works, most of which are owned and controlled by the Dominion government. Further, the public prerogative is somewhat blunted by the amount of land alienated from the Crown to private ownership through past sales and leasing arrangements of both land and its resources. While this is not as much of a problem in Ontario as it is in other provinces, it does provide a jurisdictional limitation.

Resource ownership, however, has a somewhat expansionary effect upon jurisdictional claims, since the owner of a natural

resource can decide the conditions under which resource development, exploitation, and management occur.

Proprietorship of the resource base gives jurisdiction over a resource through the conditions attached to sales or rights to exploit the resource. This jurisdiction is separate from, and capable of frustrating legislative authority over the resource given by the B.N.A. Act (Thompson and Eddy, 1973: 74).

Thus ownership may confer a de facto jurisdiction.¹

Though the spatial distribution of many resources and their ownership would logically seem to suggest provincial control, a great deal of jurisdictional interdependence exists because of the nature of resource ecology. Natural resource and environmental problems are intrinsically dominated by spillovers and externalities. In particular, Thompson and Eddy (1973) point to four overriding characteristics; ecological interdependence, physical interdependence, problem interdependence, and hence jurisdictional interdependence. For example, federal powers over some aspects of wildlife management and conservation such as that in the Migratory Birds Convention may also provide federal legislative authority to regulate resource development in regards to provincial forests and minerals, to the extent that such development might interfere with waterfowl.

¹ With some resource elements such as wildlife, for example, where there may be a great deal of migration or movement, ownership is further complicated.

Thus, because legal or constitutional categorizations of resources are not always in accord with the laws of nature, jurisdiction is exercised based on a number of categories, resulting in intergovernmental involvement and a lack of clarity and precision.

A further problem is that of the constitutional position of the native population (Royal Commission on the Northern Environment, 1978: 20). Since authority under the B.N.A. Act is given to the federal level of government, it finds itself assuming responsibility for what are otherwise provincial responsibilities in areas such as housing, health, welfare, and education. In essence, the jurisdictional distinction between white and native communities in the north inevitably adds to confusion on the part of resident populations, and creates difficulties in decision-making, program delivery and standards. Further, although much of the native economy is based on traditional pursuits such as hunting and trapping, land reserves are often not large enough to support these activities. As constituents primarily of the federal government, the native peoples are in a somewhat vulnerable position, since the land and resources are controlled through provincial ownership, and the decisional power controlling development projects and assessing their impact largely resides with the province.

Jurisdictional ambiguity has important impacts upon the decision-making process because it creates an element of uncertainty. The fact that any single level of government can act unilaterally only occasionally makes coordinated approaches to policy-making and the solution of existing problems a necessity. Though such coordination is often difficult to realize, a cooperative approach is desirable in order to avoid interjurisdictional competition and subsequent

differences in the handling of resource issues. As Thompson and Eddy (1973) noted,

Unless this coordination exists the highly concentrated resource industries will simply play the resource managers concerned against each other to obtain excessively favourable development arrangements. p.85

Such occurrences, not unknown to Canadian federalism, help to underline the fact that those who understand the workings of the system benefit most. Further, the public's ability to participate effectively in environmental and resource development decisions is constrained by the complexity of jurisdictional responsibilities. To those who at least understand the allocation of legislative authority and the workings of both formal and informal arrangements for cooperation, jurisdictional issues may provide a real barrier to participation in the solution of existing problems.

3. Operating Structures: Policies and Programmes

Structural Overview

In the early 1970's, new approaches to decisional engineering introduced by the Committee on Government Productivity brought broad changes to the operational, decisional, and policy development structures within the Government of Ontario. In general terms, these changes collapsed the existing and relatively autonomous vertical structure of departments and functions into a semi-horizontal policy field structure of ministries which consisted of four broad areas of policy operations: Social Development, Resource Development, Justice Policy, and Management and Operations (See Appendix II). Though separation between policy fields is relatively complete, boundary disputes are a particular problem in northern development matters by virtue of their intrinsic spillovers and interdependencies.

Formulation of the government's policy approach to primary resource development in the north is principally the responsibility of the Resource Development Secretariat. Resource Development Secretariat is relatively small with few staff to perform its broad functions which include performing a coordinating and liaison role with the eight ministries in its area as well as preparation of Cabinet submissions. However, it does no data generation and relies principally on the technical expertise of the line ministries within its field. Its work is principally in two areas; policies and projects. The principal concern is to ensure that Cabinet submissions are well thought out and adequately represent all relevant viewpoints and concerns. Its input and operational 'style' is thus low profile rather than 'muscular' (Ellis, 1977: 1).

The decisional process, in a formal sense, within these structures may be viewed as a series of nine-sequential steps (Szablowski, 1975: 126). While various steps may be omitted and the duration of the sequence steps may vary widely, this broadly simplifies the operations involved.

1. Policy Development or Initiation - identification of problem or issue and development of appropriate policy or programme response.
2. Study and Report Stage - involving comprehensive examination and analysis in relation to existing policies and programmes.
3. Examination of Economic, Fiscal and Intergovernmental Implications - including probable impact on political relationships between other levels of government.
4. Examination and Estimation of Required Resources - including resource projections.
5. Substantive Examination.
6. Strategic Examination and Final Approval.
7. Formal Confirmation.
8. Policy and Programme Evaluation.
9. Termination of Ineffective or Outdated Policies and Programmes.

Mandates and Structure of Three Ministries

Though all the ministries within this policy field are related to primary resource development issues the Ministry of Natural Resources, the Ministry of Environment and the Ministry of Northern Affairs, deserve special attention. The Ministry of Natural Resources can be instrumental in the determination of land use and in promoting and providing regulatory controls on resource developments. The Ministry of Environment is instrumental in

the determination of environmental standards for industries. The new role of the Ministry of Northern Affairs also deserves mention as it has a flexible mandate which could affect resource developments.

The Ministry of Natural Resources, established on April 1, 1972, has the most direct involvement with resource development of any ministry, as its primary goal is to:

provide from crown lands and waters, and to encourage on private lands and waters, a continuing combination of resource development, outdoor recreation, and quality of environment most consistent with the social and economic well-being of the people of Ontario. (Ministry of Natural Resources, 1979: 3)

The Ministry of Natural Resources is sub-divided into five groups which include:

- (1) Lands and Waters
- (2) Forest Resources
- (3) Mineral Resources
- (4) Outdoor Recreation
- (5) Finance and Administration

Within each group there is a network of branches which affect decisions of corporations to initiate and maintain primary resource developments. On the other hand, certain programmes within these branches may hinder resource developments. (The programmes which affect these developments will be outlined later).

There are eight geographic regions which are sub-divided into 49 areas. The de-centralized areas are responsible for land management, recreation and resources products programmes.

The Ministry of Environment is also involved in resource development, especially in the fragile north

The goal of this ministry is to provide effective environmental management through controlling contaminant emissions, establishing environmental safeguards, managing Ontario's water resources, and developing measures to preserve, restore and enhance the natural environment. The Ministry is largely responsible for monitoring pollution and enforcing control measures. These activities are carried out in the five regional operations divisions (two of the regional operations are Northwestern and Northeastern Ontario).

The Ministry of Northern Affairs was established in April 1, 1977 as a response to the particular problems of the north. It was intended to consolidate northern programmes (Bernier and McKeough, 1977, p.14). The primary functions of the Ministry are outlined in S.8 of the Ministry of Northern Affairs Act, 1977:

8. It is the function of the Ministry to coordinate the activities of and initiate policies and programs for the Government in Northern Ontario including:

(a) preparing and recommending Government plans, policies and priorities for Northern Ontario.

(b) establishing and administering Ministry programs, and coordinating Government programs and services relating to Northern Ontario.

(c) advising and participating in the planning and financing of Government programs, services and activities in Northern Ontario provided by other ministries.

(d) improving the accessibility of the programs, services and activities of the Government of Ontario to the residents of Northern Ontario.

(e) making recommendations regarding priorities for research of social and economic conditions of all areas of Northern Ontario.

(f) administering such other programmes and performing such other duties as are assigned to it by any Act or by the Lieutenant Governor in Council.

The scope of the ministry in Northern Ontario is enormous: preparation and recommendation of policies and priorities, and the establishment of programmes and participation with other ministry programmes. Thus the ministry can be viewed as an initiator of major policies and a clearing house for other ministry programmes.

Programmes and projects under the direct auspices of the Ministry of Northern Affairs include: the community and regional priority projects for townsites developments, Ontario Northland Transportation Commission, 25 northern offices of the Ministry of Natural Resources, and the Isolated Communities Assistance Programme. For other activities which the Ministry has not taken over directly, it is intended to examine gaps and conflicts between ministries involved in the North. The coordinating function also involves the strengthening of ties between municipalities and interest groups in order that government policies and programmes will be responsive to local needs.

Structurally, the establishment of the new Ministry has a strong northern regional component: 70% of the Ministry's personnel are located in the North; it has 29 northern offices; and assistant deputy ministers reside in Kenora and Sault Ste. Marie. The Minister of Northern Affairs, Leo Bernier, has considerable power as he is a member of the Management Board of Cabinet and all three policy fields.

Most of the other provincial ministries are only indirectly involved in primary resource development, and in fact do not even have special northern regional offices, and therefore do not warrant discussion of their objectives and structure.

3.1 Meta Policy Development

In the late 1960s the provincial government instituted a series of Design for Development documents which were intended to outline a policy and programme approach to development in Ontario. In 1972, regional planning was changed to emphasize the importance of counties and regional governments in the implementation of regional development. Phase III of Design for the Development developed five economic regions for Ontario including northeastern Ontario and northwestern Ontario. A series of documents for both northeastern and northwestern Ontario then evolved, which outlined recommendations, goals, progress and policies.

Relatively little is known as to the precise nature of the internal decisional processes involved in the making of these regional development strategies. Most of the relevant internal discussion papers submitted to Cabinet remain confidential and difficult to obtain. However, Ellis (1977) concluded that in the past the process employed for development of regional strategies was essentially 'top-down' in character. Input from local levels was provided for only the final stages of proposal formulation and it was further found that

The aims and proceedings of a limited number of public meetings and selective meetings

with the private sector are not documented, and the meetings are given token recognition in the Strategies without reference to content. The total plan process of information - plan formulation - consultation - plan adoption is so obscure as to make public participation by varied groups difficult (Ellis, 1977: 2).

For the Northwestern Strategy, however, the approach was somewhat different. Each ministry was asked to detail relevant policies and operations within the region as well as providing an approach to the resolution or 'handling' of policy problems. Drafts of the various proposals and approaches were circulated for response to various municipal officials, politicians, and industry groups after examination by planners in Treasury, Economics and Intergovernmental Affairs. (Now divided into Treasury and Economics, and Intergovernmental Affairs). Though a limited number of public hearings were provided for, the final product was the subject of negotiation between these various parties to it. It was thus concluded that, "Participation in the formulation of policy alternatives, often taken as an indicator of the openness of a process, is still not existent in any but a nominal sense" (Ellis, 1977: 3).

Three documents in particular, "Initiatives and Achievements", "A Strategy for Development", and "A Policy for Development", outline policy directions and objectives for northwestern Ontario. Government policy was expressed as follows:

The province remains committed to the fundamental goals of stimulating economic growth and improving conditions of life in the Northwest, and will continue to support measures designed to achieve these goals (Ontario, Bernier and McKeough, 1977: preface).

Policy goals, as expressed in this rather nebulous manner minimize disagreements while maximizing agreement and consensus with the objectives. However, there are still individuals and groups which are opposed to stimulating economic development (e.g., certain native tribes and wildlife groups). Furthermore, the extent and kind of economic development may result in conflicts. It is difficult to imagine individuals or groups opposed to "improving conditions of life in the Northwest". Yet when this statement is operationalized, disagreements as to what constitutes an improvement of living conditions arise. For example, on one hand some persons may favour forestry as a provider of employment and a stimulated economy for better or cheaper goods. Others may view increased forestry as a threat to their livelihood (e.g., natives who depend on trapping for subsistence). In these areas compromises must be worked out. The actual resolutions of these conflicts are a better indicator of the overall government policies than unoperationalized stated objectives. Thus broad objectives lend themselves to different interpretations and the meaning of overall policies may be altered over time.

The document Design for Development (1971) outlined five major goals for northwestern Ontario:

- (1) 18,000 new jobs created
- (2) Regional diversification
- (3) Expansion and strengthening of resource based industries
- (4) More effective transportation and communication
- (5) Strengthening of the social infrastructure

The goals are largely interdependent but they can be summed up as a need for greater development of the north. Although they are vulnerable to outside influences, resources are viewed as the "economic

backbone" of the north. Regional diversification is called for because a diversified economy is more stable. Better transportation and communication systems enhance the competitiveness of the area, and the strengthening of the social infrastructure will help provide a quality of life similar to the south. It is proposed that all of the above goals will aid in the creation and maintenance of jobs in the north. Thus a policy to strengthen resource based industries makes certain assumptions (e.g., that there are readily available resources but "not an unlimited storehouse of natural resources" Ontario, 1978: that industries provide jobs, and industrial development will be beneficial, etc.). In order that the goals are realized, certain contingencies must be in effect (e.g., better access roads, a better social infrastructure to attract personnel, enough work force). The network of assumptions, contingencies, technological data, goals and interests of the population intermingle to produce government policy. Primary resource development is largely dictated by this network.

On a more specific level, with respect to mining, the Design for Development "Initiatives and Achievements" made four recommendations, all of which could be viewed as incentives for mining extraction. As summarized, these are:

- 1) Intensified geophysical survey to facilitate discoveries of new mineral deposits.
- 2) All geological and geophysical surveys conducted by private interests are to be submitted to the department of mines.
- 3) Taxation policies to enable the mining industry to remain competitive worldwide.

4) For proven deposits, "cooperative efforts should be made to bring the deposits into production as soon as feasible" p.19

Initiatives and Achievements takes a similar perspective for forest products. To enhance a more competitive industry the document recommends financial assistance for plant modernization, expansion, road construction and better utilization of exploitable forest resources. One recommendation is a study of the feasibility of "at least one new pulp and paper mill in Northwestern Ontario" p. 21.

The government mentions the possibility of conflicts in interest and that "future measures would have to be devised with the trade-off in mind" (Ontario, McKeough and Dick, 1978: 29). The same document notes that:

There may be institutional rigidities and legal barriers that impede the efficient allocation of productive resources. Under the proposed economic development strategy, removal of such rigidities and barriers would become a policy priority. p. 29

Furthermore the intent of the government to promote primary resource development is reaffirmed:

to encourage the development of the region's resources through further exploration and research, the initiation of new ventures, and the processing of raw materials (Ontario, McKeough and Dick, 1978: 31).

Thus, the government hints that in choosing between environmental safeguards and resource development, resource development will carry the greatest weight. In order for the government to maintain a competitive climate, it must assume the greatest responsibility for infrastructure development, roads and environmental safeguards.

Another set of documents which speak more directly on land use, are the Strategic Land Use Plans for northwestern and northeastern Ontario. The three phases of the documents will permit considerable inputs from the private sector and other ministries. The documents are largely built on the premises and targets of the Design for Development policies and are intended to:

state in broad and comprehensive terms how the Ministry of Natural Resources wishes to use or influence the use of land in Ontario (Ontario: Ministry of Natural Resources, September 1977: 1).

The purpose of the documents is to achieve coordination of policies within the Ministry of Natural Resources, and to be integrated with and complement policies of other ministries. However, since the focus of the documents is on land use, these documents do not fully address distributional issues (i.e., who benefits from goals, and at what expense will objectives be obtained), but rather centre on forest and mining interests.

The plans clearly emphasize the importance of primary resources in the economy, and advocate a strengthened role of forest and mineral extraction. The policies for both northwestern and northeastern Ontario state that no lands shall be withdrawn from

staking (in the case of mines) or timber production until the full potential of these resources is assessed. The expansion of both forest production and mineral extraction is advocated through increased productivity and encouragement of exploration.

Alternate uses for the land such as wilderness areas or parks are evaded throughout the documents, but adverse environmental effects caused by resource extraction are not dismissed. Environmental concerns were expressed primarily through public participation with a concern for environmental protection and a concern for alternatives to clear-cutting of forests. In this regard, the Minister of Natural Resources responded that:

the environment will not be damaged to an extent considered avoidable and will be rehabilitated as quickly as possible (Ontario, Ministry of Natural Resources, September 1977: 18).

Any environmental protection beyond gross alteration of the land is within the mandate of the Ministry of Environment and strategies that this ministry would utilize were not discussed. The means by which objectives are to be implemented should be incorporated into Phase III (yet to be released).

Ellis (1977) has noted that a trend in policy making for regional development is for Treasury and Economics to emphasize economic issues, with the rationale that land use issues will be addressed by the Ministry of Natural Resources under the Strategic Land Use Plan. However, the land use issues addressed in the Strategic Land Use Plan appear to emphasize economic benefits from resource

extraction. Little attention is given to values, with the report stressing economic gains from the land. In addition, social concerns caused by primary resource development are not adequately addressed, as there is no governmental ministry which feeds social concerns into the planning process.

3.2 Governmental Programmes

This section is designed to outline some present governmental programmes which act either as incentives or as more regulatory functions (dis-incentives) for primary resource developments. An enormous number of provincial programmes or regulations could potentially affect resource development. For example, Hildebrand and Frosch (1979) have outlined regulations and acts, ministry by ministry, to which Ontario mining companies must conform, in order for developments to proceed. In all, a prospective mining company may have to meet the requirements of up to twelve different ministries. Within each ministry there are a host of acts which could affect mining developments (this represents the greatest involvement of any ministry). In addition, there are numerous federal departments (fourteen in all) and regulations within each department which affect mining companies. The purpose of this section will be to outline some of the more prominent incentive and regulatory controls. The discussion is not intended to be a comprehensive analysis of the area.

As previously stated practically every act, regulation or governmental incentive will in some way affect primary resource development. The ministries most directly involved are the Ministry of Natural Resources, the Ministry of the Environment, and to a lesser

extent, the Ministry of Labour, Industry and Tourism, Energy, Housing and Transportation and Communications. The Ministry of Northern Affairs has the principal role of coordinating governmental policies and programmes in the north. All these ministries are within the Resources Development Policy Field.

Incentives

Incentives for northern primary resource development can take many forms. The government may provide funds directly to companies; directly assist companies through means such as surveys, better development techniques, trade negotiations, etc.; or indirectly by improving the community infra-structure such as roads. Companies in the south often take for granted that communities and access facilities are well developed, but in northern frontier areas this lack of community development often puts additional burdens on the resource companies. Therefore, government involvement in all these areas will be discussed.

The Ministry of Natural Resources, with a budget of \$246 million annually, assists companies in a number of ways. The surveys and mapping branch is responsible for all surveys and mappings of the province. Advanced techniques of satellite surveys have led to better reforestation programmes and useful information for resource management and development.

The geological surveys branch (within the Mineral Resources Group) provides a similar function for mines, administering exploration of geological conditions. The mineral resources branch has a wide jurisdiction over mineral resource developments including: the formation and evaluation of mineral resources policies, inven-

tory and world market studies of mineral reserves, plans to stimulate resource exploration, as well as in-depth studies of the decision-making processes of resource companies. Many studies published by this branch aid resource developments. One such study quantified the impact of taxation and environmental policies on the mineral industry, world mineral markets, and provides a guide to mining legislation in Ontario.

Similarly, in Forestry, the Forest Resources Branch conducts scientific and technical studies which aim at more effective management of forest resources. This branch is involved in genetic experiments, regeneration programmes and pest control activities. The Engineering Service Branch coordinates the construction and maintenance of forest access roads.

The Ministry of Northern Affairs was established to consolidate northern programmes and to coordinate ministerial activities. Not being a line ministry, (the ministry sets priorities and provides funds to other ministries to carry out programmes), Northern Affairs has a large discretionary pool of money (\$120 million: Ministry of Northern Affairs, 1979) which is allocated to projects. Approximately two thirds of the budget is allocated to regional priorities which assist projects which have more than a local impact, and the remainder is spent primarily on infra-structure services. Though the mandate of Northern Affairs does not speak directly towards the promotion or restriction of primary resource developments, the activities of this ministry generally act as an incentive to developments and Leo Bernier has stated he wants greater activity in mining and forestry (Brock, 1978).

Specifically, the regional priority budget involves

topographical mapping and geological services, which could be utilized by resource developers. The Northern Ontario Resources Transportation Programme's funds for construction of resource roads to natural resource sites is a major contribution to developers. In some instances the government shares the costs of these roads with industry and in other instances the government is the sole provider. The Ministry is also involved in more comprehensive transportation systems (i.e., highways, airports, ferries) to provide better access to resource sites. The Ministry assists the development of new townsites and expansion of existing communities. Infra-structure development is required for mining companies to attract personnel. Much of the government assistance in this area is a direct product of companies' decisions to develop areas. Temagamin and Pickle Lake are examples of two townsites which evolved from company decisions.

Incentive programmes have been provided to industries in northern Ontario by joint agreements of the Federal and Provincial governments. The federal government through the Department of Regional Economic Expansion provides funds to the provincial government through a number of subsidiary agreements (Canada, Department of Regional Economic Expansion, 1977) and in turn these funds are transferred to industries for resource development. Recent programmes involve large sums of money, especially for the forest industries. They are designed to encourage development and to ensure the competitiveness of Ontario industry by means of promoting expansion and modernization.

Although the Ministry of Industry and Tourism rarely provides direct assistance to primary resource industries, their role in manufacturing, particularly for the pulp and paper industry, provides a

boost to the primary resource sector. Industry and Tourism plans to invest approximately \$400 million into the modernization of pulp and paper equipment.

Financial assistance for plant modernization and expansion has been made available through the programmes of the Northern Ontario Development Corporation and the Regional Development incentives Act. The forest industry has received over 30 per cent of the total allocated funds from these two government sources. Financial assistance has also been made available through the Ministry of Natural Resources, the Regional Priority Budget and Northern Ontario Resources Transportation Committee. These units have provided funds for building, improving and maintaining access roads for the direct benefit of the forest industry (Ontario, Bernier and McKeough, Sept. 1977). The assistance to mills reduces transportation costs and ensures readily available markets for the goods.

In late 1978 and early 1979, three large incentive programmes for forest-related industries were announced. On December 8th, 1978, a \$71.5 million, five year Canada-Ontario Pact on Forests was signed between the Ontario Ministry of Northern Affairs and the Federal Department of Regional Economic Expansion. The agreement financed the building of access roads to stands of mature timber, based primarily in the far northern region of the province. Companies were invited to recommend locations for the government financed roads to be built.

One major assistance to northern industry is through the Ontario government's responsibility for silviculture. In 1962 the Crown Timber Act was amended to give the provincial government control of forest regeneration, because it appeared that the forest

industry did not do an adequate job. Even now, the government only tries to regenerate roughly two thirds of the cutover areas, and approximately one half of the total forested land regenerates. Recently, a portion of the Canada-Ontario Pact on Forest was assigned to nursery expansion (\$5 million) and the improvement of silviculture camps (1.91 million). However, recently forest regeneration has been put back into the hands of private industries due to some duplication of efforts and a feeling that industries are now better equipped for regeneration (Banghman, 1980). Funds previously used for regeneration are now likely to be used for construction and maintenance of resource roads.

Incentive programmes designed for the mining industry cover a number of aspects of the development process, however, they are not nearly as lucrative as those for the forest industry.

Through the Ministry of Natural Resources, the Mineral Exploration Assistance Programme (MEAP) was developed in 1971 to encourage private exploration by subsidizing one-third of the exploration costs incurred in certain designated areas in northern Ontario such as Beardmore-Geraldton, Red Lake and Atikokan. Also a geological and geophysical survey is conducted each summer by the Ministry of Natural Resources. The Mineral Exploration Assistance Programme (MEAP) provides one third of the funds up to a maximum of \$33,333.00 to corporations for mineral exploration. These funds need to be repaid (with no interest) only if a producing mine is developed.

In 1974, changes in the Mining Tax Act, significantly increased the allowance for processing facilities in the north. Furthermore, the government recognizes that promising deposits must be made accessible if they are to be developed. Therefore, they

have provided funds through the Northern Ontario Resources Transportation Committee for constructing or improving mine access roads. The Ministry of Transportation and Communications has also undertaken road improvements of benefit to prospective mining operations. Thus, it would appear that the government provides relatively few incentives to increase mineral development activity in Ontario; despite (or perhaps because of) recent conditions the forest industry would appear to enjoy the position of 'favoured son' in terms of available subsidies and assistance.

Regulatory Activity

Regulations and acts affecting the activities of industry involved in primary resource development occur at all levels of federal-provincial government involvement and have serious implications for the Ontario investment climate. Every aspect of the development process experiences government controls in some form, whether it is stipulations for land use, transportation of goods and materials, the health and safety of employees, or taxation on profits. This section of the report will examine some of the regulatory checks affecting resource development.

Land Use

Since the provincial government controls crown land (which constitutes the vast majority of northern Ontario's land), the government has the final decision over any land use. A variety of interest groups (i.e., wilderness groups, parks groups, tourism, etc.) have influenced the development of certain areas of crown lands.

These groups attempt to influence land use and sometimes prevent resource developments.

The Ministry of Natural Resources is heavily involved in both conservation and outdoor recreation and has initiated a number of controls in this direction, such as the Wilderness Areas Act, the Provincial Parks Act, the Conservation Authorities Act and the Endangered Species Act. In addition, the Ministry of Culture and Recreation can also affect land use through the Historical Parks Act.

Certain areas of the north have been designated for alternate land use, posing some difficulties to resource developers in terms of limited areas for extraction. Tighter restrictions are applied for extraction within designated provincial parks, wilderness areas and historical parks because of the stipulation that there should be no interference with the surface of the land. Although there are 35 designated wilderness areas (each being less than 640 acres) this does not mean there is a lack of land area for resource extraction. At present these alternate land use areas represent only a small portion of the total northern acreage.

Environment

The Ministry of the Environment is involved in the control of emission and environmental safeguards to preserve the natural environment. Three acts created by this ministry are especially relevant to northern development: (1) the Environmental Assessment Act, (2) the Environmental Protection Act and (3) the Ontario Water Resources Act.

The Environmental Assessment Act requires public projects to

submit an environmental assessment, which is to include effects of the proposed developments on the social, economic and physical environment. The report is then reviewed by the Ministry and subjected to a public hearing and Cabinet approval. Only then does the Minister of Environment grant approval to proceed. (Further details will be provided under environmental assessment).

The Environmental Protection Act prohibits discharging into the environment contaminants beyond prescribed limits. A certificate of approval is required for devices controlling the discharge of contaminants. A public hearing and a certificate of approval are required for all waste management systems at the start-up of all new installations or of major modifications of installations.

Development projects must also operate around a number of other regulations which apply to the north such as the Beach Protection Act, the Conservation Authorities Act, the Endangered Species Act, and the Forest Fires Protection Act. The Beach Protection Act provides a means to establish terms and conditions for use of sand from lakes or rivers; the Conservation Authorities Act regulates and restricts the dumping of fill into rivers; the Endangered Species Act prevents the endangerment of the lifecycles of many species of fauna (e.g., eagles, mountain lion, timber rattlesnakes, peregrine falcon, etc.) or flora (white lady's slipper orchid); and the Forest Fires Protection Act regulates fire prevention strategies.

The main regulation controlling the activities of the timber industry is the Crown Timber Act created by the Ministry of Natural Resources in 1962. The Act is divided into two separate elements; harvesting and regeneration. Both of these sections regulate the management of cutover lands, particularly in the area of regeneration

of the renewable resources.

Health_and_Safety

Occupational Health and Safety Standards established by the Ministry of Labour deserve mention, especially since an act pertaining specifically to mine safety was created. The Occupational Health and Safety Act, 1978, and Regulations for Mines and Mining Plants is long and complex, containing 283 sections covering fire protection, access to work places, protection of workers, haulage, explosives, electrical and mechanical conditions, railroads, mine hoisting, and the working environment. Mine employees are given considerable rights including refusal to work if there is reasonable cause to believe working conditions are unsafe.

The added costs and regulatory power of this new act have considerable impact on the attractiveness of mining investment in Ontario. Needless to say, there are indications that mining corporations are extremely apprehensive of the possible implications that this will have for the industry (J. Hughes, Ontario Mining Association).

Other_Regulatory_Controls

In Ontario the main controls regulating the activities of the mining sector are the Mining Act and the Mining Taxation Act. As was discussed in an earlier part of this section, the Mining Act regulates all activities of the sector: governing management of public lands, mining claims, mining rights, patents, penalties, prospecting, surface rights, and water claims. One section deals with the operation of mines, another refining, acquisition and reversion of mineral

rights. Numerous licenses and government informed record keeping are required at various stages of resource development. For mining, some of the licenses required are the prospector's license, an exploratory license, a permit of occupation, a quarry permit, a refining license, land use permits, and a permit and royalties for use of beach sand and gravel. The government must be advised of mining claims and surveys, ongoing work, leasing and notice of abandonment.

The Mining Tax Act governs the mining profits, taxation and related matters. The provincial government collects mining profits taxes, mining acreage taxes, some royalties, recording fees and miners' licenses fees, revenues from mining leases and of mining lands. The federal government collects primarily corporate profits tax (Anders et al., 1977). Profits exceeding \$100,000 are taxable.

Table 1 shows the different types of taxes which apply to the forest industries. As can be seen from the table, provincial taxes constitute slightly less than 40 per cent of the government revenue of both governments.

The conflict between the two levels of government for revenues from the mining sector stems from the great amount of wealth it produces. Out of a Gross Provincial Product (G.P.P.) amounting to \$37.8 billion in 1971, mineral extraction accounted for \$717 million value added (Statistics Canada, 1971). This reinforces the interdependency of provincial and federal programmes, and illustrates the limitations of provincial policies.

TABLE 1

PROVINCIAL AND FEDERAL REVENUES GENERATED AS A RESULT OF FOREST INDUSTRY ACTIVITY
IN ONTARIO

REFERENCE	1967		1973	
	FEDERAL	PROVINCIAL	FEDERAL	PROVINCIAL
5.1 Ministry of Natural Resources	-	16.8	-	17.7
5.2 Logging Income Tax	-	1.7	-	-
5.3 Corporate Income Tax	30.0	8.2	NA	NA
5.4 Personal Income Tax	44.0	14.1	99.1	31.8
5.5 Provincial Retail Sales Tax				
(a) Individual	-		-	21.2
(b) Industry	-		-	18.0
Federal Sales Tax	NA	-	10.0	-
Gasoline Tax	0.5	0.3	0.5	0.9
5.6 Import Duty	NA	-	2.5	-
DIRECT REVENUE	74.5 (5.0)	49.6 (3.0)	112.1 (28.0)	89.6 (9.0)
5.7 Personal Income Tax	44.0	14.0	99.1	31.8
Provincial Retail Sales Tax	-	8.5	-	21.2
INDIRECT REVENUE	44.0	22.6	99.1	53.0
TOTAL REVENUE	118.5 (5.0)	72.2 (3.0)	211.2 (28.0)	142.6 (9.0)
FEDERAL-PROVINCIAL TOTAL REVENUE DISTRIBUTION %	62	38	61	39

Note: (i) - represents not applicable; NA represents not available.

(ii) The numbers in parentheses are estimates of the numbers shown as NA.

Source: Timber Sales Branch. "The Forest Industry in the Economy of Ontario".
Toronto: Ministry of Natural Resources, 1977.

4. Policy and Programme Implementation

The State of Primary Resource Development

As previously stated, a number of levels of governmental and non-governmental factors and influences affect the health of primary resource development. The mining industry and to a lesser extent the forestry industry, have not fared well in the '70s. A representative of the forest industry, W.W. Hall (vice-president Abitibi-Price, February 21, 1980) has stated that:

The industry and provincial and federal governments have long since recognized the need for improving the air and water environments at certain mill locations. The problem has been that until recently, government specifications and time-tables have placed an insurmountable burden on our industry which had suffered a financial drought through most of the '70s, while at the same time requiring large amounts of capital for modernization to remain competitive internationally. In other words, the two requirements for scarce capital were at cross purposes.

Recent changes regarding the cost-sharing programme for access road-building as well as modernization incentives have received an understandably favourable response from the industry.

Mining exploration activities in northern Ontario have sharply fallen off in the past few years and a number of the presently working mines are scheduled to close by mid-1980 (e.g., Steep Rock Iron Mines and Caland Ore, Atikokan) . Expenses for mining exploration have dropped considerably over the years, from 23 million per year from 1967 to 1971 to a level of 14 to 15 million per year from 1972 to 1976 (Schwass, 1979). This decline has occurred for a number of

reasons. First, exploration is by nature slow and expensive in northern Ontario not only because of the isolation of the region, but also because of the heavy overburden of the Shield covering much of the land. Also, the Steep Rock Range ore bodies were deep seated and open pits can only be mined economically to a certain depth. Despite the expenditure of many millions of dollars by the mining companies, no economical way was found to mine by underground methods (Hancock and Walker, 1978).

Government policies and regulations are also a significant deterrent:

(1) Changes in taxation at both federal and provincial levels have removed incentives to the mineral industry and have taken a larger proportion of taxes from mineral producers.

(2) Changes in Ontario Securities Commission regulations have impeded the raising of funds for mineral exploration through public financing.

(3) A lack of clear-cut mineral resource policies at both federal and provincial government levels has created an additional point of uncertainty in an already high risk business.

(4) Increased environmental standards regarding environmental protection and worker safety and health have greatly increased capital costs.

4.1 Effects of Governmental Programmes and Policies on Primary Resource Development

A further problem with government policies results from over-regulation. In many instances, the provincial government's stated overall policies do not accurately reflect government actions. The mining industry of northern Ontario illustrates this point. Though the Design for Development documents have stated goals of stimulating

economic development and the expansion and strengthening of resource based industries a number of factors work against this goal. Conditions are set down under the Environmental Assessment Act, safety standards by the Ministry of Labour, health standards by the Ministry of Health, taxes by the Ministry of Revenue, a host of guidelines by the Ministry of Natural Resources and a number of regulations and acts by other ministries. Such standards and regulations for corporations tend to deter primary resource development. Corporate developments are based primarily on economic feasibility, and the number and kinds of governmental regulations reduce the economic viability of such development. Although these controls are necessary for the preservation of the environment, the repercussions of these controls could have a detrimental effect upon the future development of northern resources (Anders et al., 1977). The tendency to over-regulate the mining sector, in response to concerns by a number of minority groups, is a major concern for mining companies (interview with Jim Hughes, Executive Director, Ontario Mining Association, January 9, 1980). Responses from resource based companies also indicated a concern regarding over-regulation of the industry.

Even government officials who were interviewed were in general agreement that the industry is over-regulated. Alan Moon (Senior Northern Regional Development Economist, Ministry of Northern Affairs, Feb.7, 1980) commented that it takes mining companies on the average approximately four years to receive governmental approval to commence work; and this is an indicator that the private sector is over-regulated. Mr. George Jewett (Executive Coordinator, Division of Mines, Ministry of Natural Resources, January 11, 1980) agreed that

the industry is over-regulated but could not foresee an easy remedy to the problem. He feels that in some instances, environmental standards set by civil servants are more stringent than necessary and thus add an unnecessary burden to resource companies. However, environmental groups would generally disagree with this comment. (The environmental perspective will be explored more fully in the chapter on interest groups). Regulatory controls are largely a product of interest group activity and represent a growing trend of governmental involvement. As the government becomes increasingly involved in a variety of areas, this problem becomes more difficult to solve.

The government is aware of the mining industry's concern over government interference in the private sector. "A Strategy for Development" (1978) for northwestern Ontario shows an awareness of such problems in the mining industry:

If mining exploration and development are to continue in northwestern Ontario, there must be a drastic reversal of the investment climate in Canada, as well as continued up-dating of the data base, new scientific knowledge and the application of new exploration techniques. p.50

The same report acknowledges the industry's claims that government interference has at least partially caused the situation. More specifically it refers to the operations of the Ontario Securities Commission, high tax rates, lack of incentives, pollution abatement requirements, and restrictions on foreign investments (p.49). These areas, and the uncompetitive rates of return on the capital outlay required, are most responsible for the decline in mineral activity in northern Ontario since 1972 according to the report. The harsh northern environment, governmental regulations and a lack of governmental

incentives, all contribute to the poor investment climate for mining in the north.

Governmental Strategy

One mechanism which the government intends to employ to improve the investment climate is the reduction of "institutional rigidities and legal barriers" (see quote, p. 27). The rigidities referred to, would appear to have largely evolved as a response to pressures from interest groups. For example, the Ontario Securities Commission evolved as a response to the activities of individuals who persuaded people to invest in mining claims that had no substantial bases. The Commission was established to prevent such activities, as companies are now required to demonstrate the validity of their claims. However, the practicality of corporations showing that mining claims have a good chance of producing worthwhile deposits, has meant increased legal fees. Relatively new constraints are placed on companies by environmental controls which also evolved as a response to interest group concerns. It is difficult to predict the actual intent and outcome of the government's objectives to reduce such rigidities, but other policy priorities will probably suffer.

Environmental, social and cultural concerns are not fully addressed in overall policy statement, and as a result these areas receive less emphasis. "A Policy for Development" for Northwestern Ontario (1979) states that key issues in environmental strategy are:

- conflict between environmental control and development needs.
 - problems of water pollution, air quality, and noise in certain areas.
-

- the need to improve methods of solid-waste disposal; and
- the need for a coordinated process to deal with major resource development projects (p.10)

Thus, pollution of the environment is seen as a problem but the negative effects of pollution must be weighed against the benefits of development. The document further states that: "in considering new developments, compromises and trade-offs will have to be made" (p.10). Just exactly what degree of risk or harmful effects the government is willing to accept will become clearer in the future. The document does caution that economic benefits should not always take precedence. Presently it does not appear that the government has developed systematic criteria for what is considered "safe" or "acceptable".

The provincial government's willingness to relax or downplay environmental concerns has been outlined by Weller (1979):

The Ontario government not only illustrates its weak commitment to protection of the environment relative to its commitment to economic development by downplaying or denying the need for regulation in many areas. It also illustrates it by the fact that it has occasionally exempted certain projects from mandatory environmental assessments, has relaxed pollution control orders on some companies and has also imposed low or minimal penalties. (p.28)

The impact of governmental policies on the environment and environmental groups' assessment of these policies will be elaborated more fully in the chapter on interest groups.

Government's apparent willingness to compromise environmental regulations to achieve development demonstrates a commitment to improve the poor investment climate in the north. However, pressures from environmental groups, are in direct conflict with the present environmental standards. Though the provincial government has stated goals of encouraging primary resource development, mining activity has particularly been slow over the past 10 years and many of the reasons can be directly attributed to governmental regulations. Therefore, we recommend that the government operationally define all policy objectives. Specific programmes and policies should accompany broad policy statements. This recommendation specifically meets the criteria of internal consistency as outlined in the methodology section. As well, if broad policy objectives are backed up with specific courses of action, the decision-making environment is perceived as more legitimate.

4.2 Problems of Governmental Structure

Governmental involvement in the regulation of the mining sector has created considerable consternation in the industry, not only as a result of the interference, but in the erratic nature of that interference. Policies and programmes change so often, they give the impression of confusion and randomness. Perhaps the greatest disincentive for the mining sector of northern Ontario is the unpredictable nature of the government's policies and programmes. The prevailing attitude of the government appears to be "change now; if it doesn't work, change again" (Mackenzie and Bilodeau, 1979).

The recent evolution of the government organization by function (as recommended by C.O.P.G.) has in all likelihood contributed to the rift between overall stated policies and the actual combined practices of the relevant ministries. Under the system of government before the 1970s, most issues related to primary resource development were in one shop (for example, for mines - the Department of Mines); but since the massive governmental reorganization by functions, different responsibilities for mines are now scattered in a number of ministries. Hence, the decade of the 70s has seen an emergence of new ministries (for example, the Ministry of Natural Resources, 1972; the Ministry of Environment, 1972; and the Ministry of Northern Affairs, 1977). With the creation of these ministries there have undoubtedly been gaps and overlaps of jurisdictions and responsibilities, as well as difficulties in establishing comprehensive objectives. The changes in the government structure make it difficult for resource based corporations to make decisions as policies change with advances in technology, research and the influence of pressure groups.

The new structure of government ministries has enabled greater specialization but a major drawback of this system is that it requires greater coordination between ministries. This problem has affected resource corporations as they are now required to deal with a number of different ministries for different purposes. For example, the corporations must contact the Ministry of Natural Resources for land claims and other relevant functions, the Ministry of Environment for environmental concerns and the Ministry of Labour for safety standards, whereas under the previous system all these

functions were under the jurisdiction of the Ministry of Mines. Each of the aforementioned ministries have inspectors to perform relevant duties: the Ministry of Natural Resources oversees extraction of resources in order to reduce local impact, the Ministry of Labour has safety inspectors and the Ministry of Environment has inspectors for pollution abatement requirements.

The new structure of government is in all likelihood an improvement over the old system. When new systems are introduced time is required to solve the complex problems. Structural changes may not solve all of the north's resource problems, but improvements, can be paved:

Improving the structure of the government alone will not solve the north's problems. In many areas the rugged topography, extreme climate, lack of employment opportunities, sparse and static population, boom or bust economics and dearth of resources combine to make some problems beyond reach. However, there are a great many areas in the North, where with a more integrated system of decision-making, many of these problems can be confronted. (Ministry of Treasury, Economics and Intergovernmental Affairs, 1976).

Perhaps one priority of the provincial government should be the establishment of a central agency or coordinating committee which is fed information from a number of ministries related to resource development and streamlining resource activities. Such a mechanism would aid resource companies in dealing with the government. The present governmental structure, though it allows for greater specialization, has largely resulted in a more bureaucratic system (Szablowski, 1975).

Hart (1978) explains that the "fragmentation of responsibility and the confusing procedural requirements which the industry face in dealing with the government can cause frustrating delays". The main purpose of the Committee would be to supply information to resource companies and streamline ministerial acts and regulations. Initially, the Committee would have a research component to examine mechanisms by which inspections for regulatory controls could be better coordinated to facilitate coordination with the Federal government. The overall purpose of the Committee would be to bring together and coordinate all the relevant information from different ministries on resource development, and to act in an advocacy role between resource companies and the government.

4.3 Governmental Planning

Aside from the recent emergence of a number of new ministries, special agencies are often formed to investigate areas of concern. The Royal Commission on the Northern Environment, an example of one such agency, was established as a response to pressure groups (Treaty #9 in particular) and the local opposition (primarily the N.D.P.). The Commission was originally created to enquire into environmental and social effects of the timber industry north of 50° and later to establish an overall strategy for economic development. Silcox (1975) has criticized the creation of such agencies, boards and commissions which are largely initiated to maintain political support. Silcox indicates four major problems with these special agencies:

- (1) Fragmentation of the administrative structure.

- (2) Coordination of government activities.
- (3) Responsiveness of the agencies to the public.
- (4) Lack of policy control of the cabinet over these agencies.

At least some of these conditions have been purported to exist within the Royal Commission of the Northern Environment (Weller, 1978 p. 30-33) and other governmental ministries. According to Weller (1978) the terms of reference of the Commission altered over time and "the history of its (the Commission) activities to date (are) hardly reflective of any particular policy approach" (p.33). At one point Judge Hartt suggested a task force to investigate ways of involving northerners in more government decisions, but this idea was rejected by Premier Davis because it conflicted with the mandate of the Ministry of Northern Affairs. Lack of coordination between this agency and other ministries is shown in a Toronto Star article (December 1, 1979). In the article, the Minister of Natural Resources, Frank Auld, claimed that none of the 19,000 square miles of forest tract land north of 50° will be made available until the Royal Commission completes its studies of the area. However, the article claims that Fahlgren (Commissioner, Royal Commission on Northern Environment) reluctantly admits that, "(I have) no idea of the status of the forest. I'm waiting to be told". In another press release, Fahlgren said "Without ... economic projections (of the area north of 50°) ... we can't begin to talk about policies and guidelines for future development (Noract, Nov.-Dec. 1979: 1). The Royal Commission has no jurisdiction over the land but Frank Auld's staff insinuates it does:

the 1977 Hartt Commission and its studies of whether any such giant forest allocations

should be made may have changed the obligations between Reed and the government (Toronto Star, December 1, 1979: 2).

These apparent inconsistencies suggest a need for better coordination between the agency and governmental ministries.

Governmental agencies are one mechanism employed to respond to interest group pressures to implement priorities. The ministries also respond to situations that arise from time to time. The first steps in policy formation, according to Szablowski (1975), is problem identification and the formulation of appropriate responses. The Ministry of Natural Resources usually conducts feasibility studies subsequent to specific proposals and the Ministry of Environment later conducts assessments for regulatory controls. The Ministry of Northern Affairs also has tended to conduct its activities in response to priorities that arise (e.g., road construction, community infra-structure development). Leo Bernier (Minister of Northern Affairs) recently reaffirmed his Ministry's reactive approach:

A large part of our mandate in Northern Affairs is to respond to specific northern situations with the required degree of effort. (Chronical Journal, February 3, 1980).

Additionally:

The history in resource management in Ontario shows that, as complex problems arise, as provincial goals and policies and programmes have undergone shifts and changes, resource planning

has often been carried out on an ad hoc basis.
(Smithies, 1974: 70).

Such a reactive governmental approach has not led to comprehensive resource planning in the north but rather a myriad of policies and programmes with little planning.

Hartt (1978) has claimed that presently there is an inadequate planning framework for northern development. The situation is similar to the Federal government's approach in dealing with the resource development issues:

Ottawa's true religion is drift, a lack of innovation; a failure of comprehensive planning; an unwillingness to define the national interest.
(Dosman, 1975: 213).

Thus, one problem presently in the government is a preoccupation with responding to special interests, and a lack of overall planning for the north. This tendency is made worse by the confusion and complexity that characterizes the policy process.

Resource development policy to date has not been characterized by an overall strategy, which incorporates all the values and concerns expressed by our society, but rather a piecemeal approach. The Strategic Land Use Plan is an attempt to provide such an approach but it has not effectively included social concerns, values and land uses other than resource development. These issues must be dealt with by comprehensive planning in order for the government to increase its efficiency in dealing with the multitude of societal values and pressures. Therefore, we recommend that the government adopt a more proactive comprehensive approach to planning in the

north. This goal will require an intensive inventory of geological conditions and research into societal values. Designation of areas for parks, wilderness areas and native reserves should be adopted.

4.4 Governmental Discretion

Governmental fluctuations, including changes in personnel, structural changes (as elaborated above) and legislative changes, make it difficult for resource industries to make projections. Some of these changes undoubtedly cannot be realistically altered for they are inherent in our democratic institutions, and in any event often have beneficial results in the long term. However, some instability occurs as a result of discretionary practices. Such is the case with the environmental assessment act, where there are wide discretionary powers in many steps of the process. As noted by Weller (1979) discretionary practices are common place:

Compliance schedules vary from polluter to polluter within the same industry and they vary from industry to industry. p. 27

These discretionary powers have been welcomed by some but condemned by others. Many mining companies would like to see a more clearly established mineral management policy which would provide greater stability in the resource sector (Jim Hughes, Ontario Mining Association). Others prefer that each project be examined independently. A letter from W.W. Hall (Vice-President, Corporate Development, Abitibi-Price, February 21, 1980) stated his company's perspective.

... we find that Control Orders will be written following mutual review of the assimilative capacity of receiving waters, the financial straits of the mill under study, the availability of suitable technology and so on. This is a much more constructive approach, in our view, than one that sees the across-the-board application of regulations.

Thus, while the discretionary areas of resource-oriented legislation cause some companies difficulties in making projections and cost estimations, others feel that these discretionary powers will permit more reasonableness and, therefore, benefit resource corporations. Perhaps the crucial factor is whether these corporations benefit or suffer from government discretionary rulings.

Government discretionary measures are a major problem for governmental decisions. Whenever the government makes a judgment one way or the other, it runs a very real risk of being criticized by opposition parties and interest groups. Also the amount of time and energy required to justify decisions is not an efficient allocation of resources. However, in certain instances government flexibility is necessary because existing corporations may not have the resources to meet schedules. Flexibility is more necessary for presently operating corporations, as companies who propose resource developments have greater options open to them: disruptions caused by corporations not initiating developments are less severe than for existing corporations closing down. There is evidence to suggest that controls are accepted by corporations if the specifications are clear.

"The question is realistically not whether to have growth or no growth, but rather the nature, quality and pace of growth desired ... Submissions from corporations, such as Onakawana Development Limited, have shown acceptance of environmental controls as long as the requirements are clearly articulated".

(Hartt, 1978: 10)

Therefore, we recommend that compliance orders for new resource developments be clearly articulated and rigidly enforced. There is evidence to suggest the government is presently taking steps in this direction.

5. The 'Approvals' Framework

A growing environmental consciousness and activism in recent years has combined with an increased awareness of the sensitivity of the Canadian north and mid-north to developmental activities. Helped particularly by the findings of the Berger Commission in the early 1970s, environmentalists and others have increasingly moved governments toward more holistic forms of decision-making in such matters. This is particularly evident in the procedures developed for the assessment and approval of new development activities in the north. For those engaged in the planning of resource development, as well as those responding to it in some form, this development has had many implications.

The existing 'approvals' framework principally concerns itself with two aspects of decision-making; determination of development 'need', and impact assessment. Thus, the decision process which has emerged has sought to avoid or control the amount of de facto involvement in terms of corrective or regulatory actions of development activity by way of preliminary impact identification through the 'approvals' framework.

5.1 Determining 'Need'

The relative 'need' to undertake a particular development project or class of activities, is often an underlying assumption of the development initiative. Yet, it is only in recent years that much attention has been paid to this aspect of the decisional process.

It should be noted, however, that

Need is a relative term, and therefore the question as to whether an undertaking is 'needed' is also a relative one: it depends on certain assumptions, and who is making them. In other words, if certain assumptions are taken as given, then a particular course of action may be 'needed'. (Ministry of Environment, 1978: 34).

A distinction must be made, however, between the concepts of 'general' as opposed to 'specific' need. A 'general' need may be defined as a relative determined 'necessity' to undertake any resource development or exploitation at all, and the class of activities which that entails. A 'specific' need though, would refer to the need to undertake a particular form or type of development activity in a specified manner; for example, using specific technology, and/or at specified site locations, etc. Thus 'needs' determination involves both policy and technical aspects of decision-making. Yet in most instances it is usually left for 'experts' to decide, as occurred for example, in the operations of the Ontario Energy Board or in the composition of the Environmental Assessment Board.

Given the many policy statements of the Government of Ontario in regards to future resource development of Ontario's north (see policy section), the notion of a general need for continued resource development would appear to be already operating as a 'given'. This would seem to be an implicit assumption already built into the decisional framework by virtue of the stated economic and employment goals for Ontario's north. Such 'a priori' assumptions tend to produce an unfortunate and undesirable orientation to the approvals process itself; both within and outside of the government. Thus, such

requirements are viewed as "... hurdles over which an obviously desirable proposal must unfortunately jump, rather than as mechanisms for testing whether the proposal is indeed desirable" (Ministry of Environment, 1978: 36).

It must further be noted that these types of decisions are at least initiated by forces which lie outside the control of a formal decisional framework. Thus,

In the case of northern Ontario, the external environment is a crucial determinant of development: to the extent that Provincial policy makers are limited in their capacity to influence that environment, they are limited in their ability to influence regional development. (Ontario Economic Council, 1976: 6).

Such decisions also emanate from both the public and private sectors and are generally beyond the control of most northern residents.

For example,

The major determinants of economic development have been the decisions of private enterprise and national policy formation. These decisions - related to the feasibility of industrial activity, its location, size, etc. - are usually made by those outside of a region (Ontario Economic Council, 1976: 5).

And for many of the multi-national resource corporations, external demand is a dominant consideration in their decision-making. General need then, is almost completely determined by forces, factors and decision-makers who are alienated both from the north itself and from the 'costs' or impacts of such decisions.

Thus, it can be seen that the determination of 'need' involves an inherently distributive process. Such issues, however, cannot be simply or completely separated from other considerations: hence, "The need for an undertaking cannot be established without taking into account the consequences of the action which is being suggested". (Ministry of Environment, 1978: 34). Thus, the decision also involves certain implicit assumptions about impacts, or 'costs' and 'benefits'; the determination of a 'need' for development thus introduces certain judgements as to the acceptability of cost elements, as well as the ability to pay for them once they have been incurred.

5.2 Assessing Impacts

'Impacts' may be defined as changes in structure and functioning of an existing pattern or network of relationships among many dimensions (e.g., economic, social, political, environmental) in response to the initiation of a specific action or activity. Assessing impacts of development activities in the north has become an internal part of the decision-making framework.

The assessment methodology employed usually varies with the particular type of impact to be measured. A common approach adopted by many impact studies is a framework which emphasizes economic rather than social consequences of development proposals. Economic assessment, usually within the framework of cost-benefit analysis, involves a calculation of the stream of 'public' and 'private' costs and benefits a project would generate along several dimensions:

	<u>Costs</u>	<u>Benefits</u>
Private	operating costs project planning construction costs regulatory costs resource costs	potential profitability market domination
Public	grants indirect subsidies infrastructure construction regulatory administration cost resource underpricing	tax revenue employment opportunities balance of payments improvement

(Emond, 1977: 3)

Such a framework has a number of problems, however. To begin with, cost-benefit analysis assumes that all impacts are in fact quantifiable, whether directly or by the use of often imprecise 'proxies' or surrogate measures; thus it is extremely difficult to accurately 'price' the values of certain impacts for as Emond (1977: 5) notes, it presumes "... a certain knowledge about societal values and priorities that probably does not exist".

Economic analysis often overlooks social impacts:

Most studies refrain from value judgments, aiming at an objective and impartial tone. The tendency to rely on factual information leads to technical and sophisticated statistical analysis of 'hard' data only. This leads to the problem that reliance on the use of economic data results in the complete dismissal of important social factors because they cannot be quantified. (Kairow, 1978: 33).

Moreover, the negative consequences of development are not addressed directly in many assessments. Rather, they are often treated as logistical 'problems' which must be accommodated in terms of financial, technological, and facility considerations.

5.3 Environmental Assessment in Ontario

The adoption of the Environmental Assessment Act 1975* and the process it prescribes is a relatively important development within the approvals process as it established the only formalized and visible process for the examination and assessment of resource development projects. It provides the principal channel and forum for public participation in such decisions and its legislative form makes it subject to public scrutiny and criticism. Moreover, while increasing the environmental 'rights' of Ontario citizens, it has defined them in a relatively specific manner.

The purpose of the Act, as expressed under S-2 is "... the betterment of the people of the whole or any part of Ontario for providing for the protection, conservation and wise management in Ontario of the environment...". 'Environment' as defined by S.1(c) includes:

- (i) air, land or water
- (ii) plant and animal life, including man
- (iii) the social, economic and cultural conditions that influence the life of man or a community
- (iv) any part or condition of the foregoing and the interrelationships between any two or more of them.

The assessment process consists of several steps. The proponent of an undertaking is first to submit an environmental assessment of the proposal. For the purpose of the Act, an assessment would consist of:

* (S.O. 1975, Chapter 69)

- (a) a description of the purpose of the undertaking
- (b) a description of and a statement of the rationale for,

- (i) the undertaking
 - (ii) the alternative methods of carrying out the undertaking, and
 - (iii) the alternatives to the undertaking.

- (c) a description of

- (i) the environment that will be affected or might reasonably be expected, directly or indirectly
 - (ii) the effects that will be caused or that might reasonably be expected to be caused to the environment, and
 - (iii) the actions necessary or that may reasonably be expected to be necessary to prevent, change, mitigate, or remedy the effects upon or the effects that might reasonably be expected upon the environment.

It is further required that an assessment include an evaluation of the advantages and disadvantages to the environment of any undertaking and its alternatives. Such an assessment, after it is submitted, is subject to review and analysis by the Environmental Assessment Section of the Environmental Approvals Branch of the Ministry of Environment. The assessment may be accepted as satisfactory; or changes and/or more work may be ordered. Once accepted, the undertaking or proposal may be approved unless a hearing before the Environmental Assessment Board is deemed necessary, or is requested by an interested party.

The Environmental Assessment Board consists of five or more persons appointed by the Lieutenant-Governor-in-Council who are not employed by any ministry in the Ontario public service. The Board, in its hearings, is empowered to appoint a representative from among a class of parties present to represent that class, in the

proceedings (S.18(15)). The decisions of the Board are final pursuant to ministerial approval and are not open to challenge through the courts by way of the prerogative writs (S.18(19)).

Environmental assessment provides a visible process and forum for the accommodation of the political forces generated around development issues. It further establishes some measures of public input and control by providing for review at an early stage while alternatives, including not proceeding, can be chosen without substantial costs to any party. However, the Act would appear to be flawed in some of the structural, distributive, and evaluative aspects of its framework.

Structural

To begin with, while the Act applies to all public sector "... enterprises or activities or proposals, plans or programmes ..." of the Ontario government, municipalities and their agencies or bodies, only those private sector undertakings designated to be "major commercial or business enterprises or activities" are subject to its provisions. A 'major' development is not defined in the Act, but is determined through the regulatory process and thus subject to change without the consent of the legislature. Permitting administrators of the Act such wide discretion in interpreting it can (and does) lead to serious problems. For example, as the primary resource sector is dominated principally by large scale firms and operations, this proviso would seem appropriate since it is not necessary to subject all activities to its control. However, this restriction does not allow the legislation to control the impact of many small scale, individual activities and classes of activities

whose cumulative effects and presence in aggregate terms may be substantial. Onus is placed on the Ministry of Environment to bring private activities under the Act through its Environmental Assessment Section which Emond (1977: 10) has pointed out may be ill-equipped to handle this policing function due to staff limitations and problems of a 'penetrational' nature. Further, there is no guarantee that every project will be subject to assessment. Under S-30, the Minister of Environment is empowered to exempt any undertaking or proponent of an undertaking from the application of the Act, if, in his opinion, it is in the public interest through "... weighing the same against the injury, damage, or interference that might be caused to any person or property by the application of this Act ...". Thus, determining what receives an assessment is effectively left to the Minister. To date, many public and some private projects have by-passed formal environmental assessment procedures (in fact, only the Onakawana and Red Lake projects have submitted formal assessments) through section 30 exemption orders. Therefore, it would be our strong recommendation that the Environmental Assessment Act and its regulations be amended as to limit the amount of administrative and Ministerial discretion presently provided for in its application. However, it is our understanding that some amendments are currently proposed (Hildebrand and Frosh; 1979).

A second 'structural' problem arises out of the assessment and review process itself. While it is perhaps fitting that the proponent should assume the cost of preparing an assessment as the expected or potential beneficiary of a proposed undertaking assessments would hopefully provide an objective examination and

analysis of alternatives including "... an evaluation of the advantages and disadvantages to the environment of the undertaking..." (S (5B) (D)). Even after an assessment is submitted for review by the Ministry's Environmental Assessment Section, it is not immediately clear as to the precise nature and depth which such examination entails. Little information concerning the review stage is readily available other than through examination of the assessment reviews themselves. (See section 5.4 on Public Participation). The extent to which outside 'expertise' may be involved in the analysis of impact claims (given the broad definition of environment) is not apparent.* In the absence of such information, it is difficult to be conclusive as to the adequacy of the review stage process. We would recommend, therefore, that the Act require such assessments to either be done internally or by objective and expert third parties, or through some mechanism which would allow joint public-private sector control of such assessments with costs borne either by the proponent (as they are now) or through some form of cost-sharing arrangement.

A third factor is related to the stage at which public participation is introduced. Under the procedures established under the Act, public participation and scrutiny come only after the assessment and its review are complete. At this point, particularly if the assessment has been deemed acceptable, there is little likelihood that the public can bring about substantial modifications to a proposal. The notice provisions under S.7(2) require that any written public submissions to the Minister concerning an assessment or its review be made within thirty days of when notice is given. This

* That is, outside of Ministry of Environment staff.

period seems too brief to establish any serious challenges to an impact assessment or review. Hence this provision minimizes the potential of public influence upon decision-making. Therefore, we would recommend that the S.7(2) of the Act be further amended to permit public input and response for proposed undertakings and their assessment at an earlier stage of the process.

A fourth factor concerns the administration of the Act and the exercise of its authority and power by the Environment Ministry and Minister. Expanding the definition of 'environment' beyond the physical environment to include broader 'social, economic and cultural conditions' permits examination of the full scope of relevant impacts and effects of a resource development decision. However, conferring decision-making authority on the Minister is questionable, because the mandate of the Environment Ministry is confined to the physical environment. Thus, it is somewhat inappropriate that the Minister should exercise discretionary authority on some aspects which are beyond the mandate of his Ministry. It seems unlikely that the Ministry itself can properly evaluate economic or social impacts of an undertaking. Consequently, probably less attention is given to economic and social effects than to impacts on the physical environment. Thus, it is our recommendation that responsibility for the operation of the Environmental Assessment Act be given to an interministerial committee, a committee of Cabinet, or some other interdisciplinary mechanism or body, rather than the Environment Ministry alone.

Distributive

As Emond (1977) has noted the Environmental Assessment Act provides no incentive for public participation. Thus, some distributional considerations must be addressed. Because of vast inequalities in the relative resources possessed by the various parties to environmental assessment proceedings, the party with the greatest resources (financial and otherwise) gains an obvious a priori advantage. As a rule, the more advantaged party is the proponent. Thus the process, as presently constituted, does little to redress inequalities of power and influence among groups concerned with the pattern of development in northern Ontario. We would suggest that effective participation by all relevant interested parties could be encouraged perhaps through some limited funding arrangements. However, it is probable that the cost of such an arrangement would undoubtedly be prohibitive.

Evaluative

Though final decisional authority rests with the Minister, the Environmental Assessment Board has no publically available guidelines for the exercise of its power and authority. Perhaps decisional criteria are provided by way of directives from the provincial Cabinet. Without legislative indication as to the bases on which conflicts are resolved, however, the operational criteria remain hidden. Observers are left to guess how much weight is given to development benefits as opposed to environmental costs. Since values are dynamic and subject to change, a legislative basis might prove too inflexible or conversely subject to

interpretation and ultimately unworkable. But in the absence of explicit policy guidelines, the decisions emanating from such a process are unlikely to sustain public confidence. Therefore, we feel that evaluative and decisional guidelines and criteria should be made public, explicit, and subject to frequent review.

5.4 Public Participation

It has been noted that "The public's role in the decision-making process is an essential one and rests on two major concerns: that of gathering adequate information, and the political one of the legitimacy of the decision" (Ministry of Environment, 1978: 38). Though public participation has become an integral part of the 'approvals framework', in the past the public's role in the planning and decision-making processes was not well defined. Prior to the adoption of such legislation as the Ontario Water Resources Act and the Environmental Assessment Act, 1975, no formal channels existed for public input in the determination of relevant priorities and values in such issues. Even the new legislation has not established a general 'right' of the public to be heard or to press environmental suits in the courts.*

While it could be said that provisions for public participation under the Environmental Assessment Act and the Ontario Water Resources Act represent "... a legislative commitment to public participation in the planning and decision-making process ...", important structural obstacles to full and effective citizen participation remain. Though many Canadians tend to identify with American political and constitutional concepts and theory of popular sovereignty

* See Canadian Environmental Law Association

it is apparent that there is no inherent 'right' of public involvement in planning and decisional processes in our constitutional tradition. Participation is allowed only at the discretion of the Minister. The constitutional conventions of our 'Westminster model' of parliamentary government vest sovereignty not in the people per se, but rather in the Crown. Thus there is no obligation to involve the broader public on an ongoing basis or to provide information about policies and decision processes.

As the Ministry of Environment (1978: 30) has observed, "... availability of information is a necessary precondition to informed participation". In such cases, information must be considered a resource. Current practices of 'discretionary secrecy' have not produced a flow of information in resource development issues sufficient for informed public comment. Further, since the current provisions of the Environmental Assessment Act require a proponent to undertake and prepare an environmental assessment, ownership of such information remains with the proponent and beyond public control. The failure of the Treaty Nine Natives to acquire a consultant's study related to the Reed paper proposal typifies the problems inherent in the arrangement.

Recent liberalization of citizen participation provisions has lengthened the time taken to secure approval of development plans. For the primary resource sector, the capital intensive nature and size of its development undertakings necessitate a relatively long time frame for planning and ongoing commitments. Ontario Hydro, for instance, estimates the amount of time required for the planning and construction of a nuclear generating station

is approximately 11½ to 14 years. Despite an absence of precise data for private sector developments, such as the mineral and pulp and paper industry, indications are that lead times have lengthened in recent years.

The culprit? Almost invariably, the finger of blame has been pointed toward public participation, and the review and approvals processes which growing concern have prompted governments to put into place (Ministry of Environment, 1978: 18).

Citizen participation in public hearings forums is not a predictable element in a review process. The numbers and variety of individual citizens and interest groups who believe they possess a legitimate interest in such issues has generally been increasing. Such active interest may involve varying degrees of acceptance of a development plan as well as outright hostility and attempts to delay or block its progress. Inevitably, the lead time required has been lengthened by such developments. Further, they have introduced a significant element of uncertainty to the process.

The development of citizen participation in such decisional activities is a relatively new addition to the decisional process. Given the current decisional environment attempts to limit such input would not be successful. There is little evidence or reason to suggest that this will change significantly, at least in the short term. It seems probable that in the future, the approvals framework will become increasingly politicized as the public's orientation to the requirements of such processes clashes with developer interests. We would recommend, however, that subject to the Report of the Committee

on Freedom of Information and Individual Privacy, the government
move to improve information availability to those parties who
require it.

6. Pressures and Influences on Resource Development

The provincial government of Ontario has increased its role in the economy and society since World War II. This political power has been concentrated in the hands of the executive and bureaucratic sectors of government (Hoffman, 1975). This expanded role has largely been the result of pressures applied by various interest groups which represent a broad spectrum of issues and concerns. However, the increased scope of the provincial government's functions has created a series of complex problems in administration and implementation of policies, in part because of the need to be accountable to a number of pressures and to interest groups.

The goal of developmental planning, according to Rees (1978), should be to implement policies which adequately reflect broad economic, social and ecological concerns. Unfortunately, this goal is not often achieved, as the numerous spheres of interest function under narrow mandates which are not consistent with a generalized planning effort. Rees goes on to say that often decisions are made "external to any planning process and certainly before all the data is in". (p.43).

Governmental implementation of plans related to primary resource developments should always reflect the broad range of economic, environmental and social concerns. However, imbalances of political influence and power of various groups may be reflected in lopsided policies. This section will outline the positions of the more important interest groups which exert pressure on the government to influence decisions on primary resource development. Included will be a brief assessment of governmental decisions on these groups and

indications of the effectiveness of each group to influence decisions. This section is not intended to be an extensive review of all pressure groups. It will be an overview of the major pressures on decision-making in resource development, and an assessment of governmental methods used to deal with these pressures.

Hinterland Status

The north as a whole can be considered an interest group due to its hinterland status in southern Ontario. The north is primarily an extractive economy, producing goods and services for the benefit of southern consumers (Weller, 1977). From the early period of development, northern resources were shipped to the southern Great Lakes cities where the population and processing centres, as well as the product markets were found. Outside regions were reaping the benefits of northern materials and labour, with little being returned. Northerners have increasingly felt the frustration of being unable to alter this situation (Weller, 1977). Scott (1975) suggests that the extractive nature of the economy, as well as the fact that highly skilled jobs are awarded to transient populations imported to the area for a short period of time, have significantly contributed to the growing sense of dissatisfaction and alienation of the northern inhabitants. However, there are still many differences of opinion between northerners on resource questions. The alienation felt by northerners occurs on many levels, and not only in the area of primary resources.

There are a number of factors contributing to the lack of political power possessed by the region. The most obvious is that

the hinterland has only meagre political, economic or social resources available to apply pressure on the metropolis to win concessions. The northern area has few representatives in both the federal and provincial houses. There are only 5 provincial seats in a house of 125 and 4 federal seats out of 264.

J. Benidickson (1978) has suggested that the economy in particular is not 'coherent' because "Southern Ontarians have a view of northern development which contrasts sharply with the possibility of an integrated and self-reliant regional economy". It is this view plus the control southern Ontario has over the northern economy which will limit the manner in which the north develops. The Royal Commission on the Northern Environment (1979) also observed:

Most resource development decisions are made in the interests of the province as an entity and tending to view the north as a hinterland rather than a homeland.

In order to conserve the northern part of the province as a place to live, northerners must have a say in its development. It is likely that most Ontarians do not recognize that their livelihood and standard of living are due in a substantial part to the people and resources of northern Ontario. There is an unequal interdependence in this province which is being questioned by northerners and which must be brought out and understood before it can be altered.

The Royal Commission (1979) called for the "evolution of new techniques of participation to allow the people of the north to take a full role as citizens". It continued to suggest that a move towards more decentralized processes, would allow the community to have substantial and effective input to the decisions made regarding the region.

Political Forces

One channel northerners have utilized to express their viewpoint is through local level organizations such as Chambers of Commerce and municipal governments. Some of these municipalities have formed associations (e.g., Northwestern Ontario Municipal Association, Federation of Northern Ontario Municipalities) which have greater political clout. As Weller (1979) points out, most of these organizations are in favour of continued economic development in the primary resource sector. Some of the organizations' primary goals related to resource extraction are continued development, qualified with a change in the hinterland status. To change the hinterland status these organizations desire that a greater proportion of the primary resources be processed in the north in order to strengthen and stabilize the economy. Such a strategy is designed to reduce the negative implications of the boom or bust economy, which is prevalent in northern Ontario. Generally speaking, groups within the municipal structure do not stringently advocate environmental controls.

The capacity of these groups to affect governmental decisions is quite considerable. Keith Jobbitt (Chairman of the Task Force on Economic Development) and Nancy Redgrift (Executive Director of the Municipal Advisory Committee) provided us with favourable assessments of the government's implementations of their proposed policies. The government has incorporated recommendations from the Municipal Advisory Committee's report on the timber industry and agreed to transfer the responsibility for forest regeneration from government to industry. Keith Jobbitt commented that annual resolutions sometimes become governmental policy. Both of the preceding organizations have a special

relationship with the government as they receive funds from the the Ministry of Northern Affairs, and in the case of the Task Force, resolutions are sent directly to the Cabinet. Generally, municipal organizations have an important role in northern resource development and advocate continued resource extraction coupled with a broad- or secondary industry base:

While Northern Alienation is rooted in basic geographic, economic, social and cultural factors, its chief manifestation is political. (Scott, 1973: 244).

Later, Scott (1975) comments:

"This political alienation is bolstered by a widespread public belief that the provincial government's programmes for the north are perceived piecemeal, at best, and often based on outrageously thin analysis". (Scott, 1975: 244).

One political response to the feeling of social, economic, and cultural alienation has been the establishment of the Northern Heritage Party. Ed Diebel, the Party leader, who once crusaded for secession of northern Ontario from the rest of the province, has embedded the issue of resource development in the party's platform. The party is dedicated to industrial development and wants at least 50% of all natural resources extracted to be processed and manufactured in northern Ontario. In addition, his platform states that a depletion tax should be imposed for non-renewable resources and a provincial cabinet minister should have full responsibility for mines.

The Northern Heritage Party was founded primarily as a response to the shipping of resources to the south; Diebel states that his primary complaint is "the taking of our resources, primarily people" (Brock, 1978: 50).

Though the Northern Heritage Party has only emerged recently (1977) and has not won any seats, it nevertheless represents a significant force for northern development. The existence of the party indicates the resentment northerners feel. This situation cannot be ignored. Ed Diebel has received considerable media attention, met with Premier Davis, and has undoubtedly influenced public decisions.

The creation of the Ministry of Northern Affairs in 1977 may have been one consequence of Diebel's action. It certainly was a response to the feeling of alienation felt by northerners, and was intended to permit more participation by northerners in resource questions. In addition, the coordinating role this ministry is intended to undertake should be of fundamental importance for establishing a well advised overall resource development strategy. However, it is still too early to evaluate the nature and effectiveness of the Ministry of Northern Affairs in fulfilling this role.

Within the groups of northerners (southerners as well), a number of subgroups have emerged with viewpoints on northern development. Groups which represent competing land uses, such as wilderness groups, parks groups, and native groups, feel that at least some portion of the northern land should be utilized for land uses other than primary resource development. Governmental policies and decisions have impacted these groups to varying extents and the groups have responded to these impacts differently.

Corporate Perspective

Governmental regulations and controls have permeated many aspects of resource development, and as previously stated have been met by corporate resistance. However, because the corporate sector measures criteria for development by a simplistic formula (i.e., economic developments which are economically viable shall proceed), governmental involvement is necessary to insure the broader range of social concerns are effectively included.

The impact of governmental policies on resource development have been dealt with in this paper, but the means by which companies affect decisions has not been discussed. The benefits to society produced by resource extraction, plus the income generated for corporations, give companies a great deal of power. The value of our forest industry to our standard of living is probably the most powerful incentive for development. In the forest industry:

The forest industry in Ontario pays directly and indirectly more than 300 million dollars a year in municipal, provincial and federal taxes. Its expenditure for goods and services to support woodlands and mill operations in the province are estimated at 2 billion dollars annually. In Northwestern Ontario, the forest industry accounts for 73% of all manufacturing and, in addition, provides employment for some 4,000 in logging. Forestry assumes a vital role in small communities throughout much of Northern and Central Ontario. These communities depend upon the wages and taxes provided by forestry activities in both private and public sectors. They can only continue to exist and develop in the future if their economic base, the forest, is maintained in a productive state. (Municipal Advisory Cttee. 1977: 21).

It is these types of benefits that are most powerful in dictating continued economic development, and they have resulted in the government's stated pro-development policies.

Some have claimed that it is generally the corporate interests which dictate economic development in the north (Northern Development Research Group, 1979). Dosman (1975) has stated that in the Northwest Territories

It is now clear, however, that the national interest has been defined to a large extent by short term corporate interests. Indeed, so long as multinational corporations have a near monopoly on information and influence pertaining to significant development decisions, then national policy for the north can only reflect corporate goals for the north.

Generally, both social and environmental concerns have been downplayed by corporations who plan northern development:

"In the past, economic development proceeded as if it was intrinsically good for everyone".
(Paproski, 1978: 257).

Though there is evidence that this traditional downplaying has changed recently with studies such as the Berger inquiry, some still feel these studies were anomalies and, therefore, not representative of future resource developments (Dosman, 1975).

Wilderness Groups

With the rapid depletion and exploitation of resources, groups which advocate wilderness reserves have fewer options open to them. The intention of the Strategic Land Use Plan for northwestern and northeastern Ontario was to implement the most crucial element in the development of wilderness areas; planning. At present,

Ontario lacks a clear, carefully considered policy statement of the values, characteristics, location and management of wilderness. (Coalition for Wilderness, 1974: 5).

"The Strategic Land Use Plan for Northwestern Ontario: Phase II" (1977) eludes the topic of wilderness areas and opts for an expansion and strengthening of both forestry and mining. This document states that land shall not be withdrawn from timber production or mining stakes until their potential is assessed. It is hoped that Phase III will direct more attention to a number of alternate land use plans.

The Coalition for Wilderness (1977) notes that no legislation exists to ensure the protection of Ontario Wilderness. They note that the Wilderness Areas Act concerns nature reserves only and the Parks Act lacks specifics to protect wilderness areas. At present, wilderness areas are not a priority and they play second fiddle to resource development:

The division of Fish and Wildlife Park and Lands all look at forestry needs first and then fit their philosophy, policy and practice into the forestry context. (Coalition for Wilderness, 1974: 24).

The Coalition feels that present governmental policy is fragmented and contradictory, and therefore suggests the formulation of a carefully planned wilderness policy.

Environmental Influences

One major consequence of resource development is the immediate destruction of the environment: the land, water and air. Recent technological advancements in prospecting and lumbering have reduced manpower requirements in favour of costly high powered machinery and large scale operations. Though these advancements have resulted in more efficient extraction, the techniques are more environmentally destructive than older methods. In the timber industry, clear-cutting destroys all habitation whether or not materials will be utilized; in mining, open pit methods similarly destroy the land. The water table is affected dramatically by such projects and often contaminants run off into streams, rivers and lakes. Some of the lakes have been used as tailing dumps (e.g., Elliot Lake area) causing radioactive contamination, and in addition, arsenic and asbestos residues have filtered into some water systems of northern Ontario. The destruction alters the ecological balance for all plant and animal life. These effects have led environmental groups to demand that forests be regenerated and that land be restored to its original condition. In some instances, the environmental groups have advocated smaller scale operations, which are less environmentally disruptive.

Generally, in most areas, the environmental groups feel that governmental controls for environmental damage are presently

not as stringent as they should be, and are not enforced properly. Ron Ried (Ontario Federation of Naturalists) claims that environmental guidelines compare poorly with the United States and that pollutants from some industries are as bad as they were 15 years ago (interview, February 1980). Greg Thompson (Pollution Probe) also felt that present legislation is not adequate (interview, February 1980).

The government has been criticized most strongly for downplaying environmental consequences and not enforcing present environmental legislations. As Weller (1979) points out, the provincial government's downplaying of mercury pollution in the English-Wabigoon rivers contributed to an international scandal. Harding (1978) claimed that provincial health officials used statistical tricks to minimize asbestos contamination in Lake Superior.

Their role, in a nutshell, was to try to obscure the debate over possible health hazards of drinking asbestos through a technical debate over numbers and methods. (Harding, 1978: 18).

The article goes on to say that the problem with determining safety levels is that often economic and political issues override such a determination. In short, what is considered safe depends upon the benefit that will be derived from developments. As a result, the provincial government often does not enforce environmental standards (two examples of this are the relaxation of control orders to Inco in Sudbury and Reed Ltd. in Dryden). Because of the economic benefits gained from the development, the government has a tendency to de-emphasize environmental concerns and to relax environmental standards.

Native Groups

Alienation from the existing framework of decision-making though common to many groups in northern Ontario, is a particular problem for the native peoples of the region. For them, the problem is not simply one of not being listened to by decision-makers, but stems from the more basic problem of a fundamentally different pattern experience of political development. No where is this more visibly evident than in the Nishawbe-Aski Declaration and their submission to the Royal Commission on the Northern Environment by the Grand Council of Treaty Nine (1977: 2),

As your society is structured today, this puts us on different sides of the issue. We are adversaries within the legal framework of this country. The adversary system is one with which your judicial process is familiar and one with which the code of law of our people is unfamiliar.

At its most fundamental level, political development involves the creation of coherent political forces within a changing structure of political relationships, and a feeling of association with the society . Thus, it is not, as conventionally ethnocentric tendencies often suggest, a structural or administrative capacity to which development should be directed, but rather, a product of political experience.

Traditional native political arrangements grew out of the needs dictated by their lifestyle and environment; life within relatively small social units enabled the development of consensus- gathering. Contact with the dominant culture

of our society. has necessarily altered the traditional evolution of native peoples.

The two main coalitions which represent native interests in northern Ontario are Treaty #9 (roughly representing those north of 50°) and Treaty #3. The growing visibility of their interests in recent years is largely related to their increased organizational and vocal abilities, and in particular through the impetus of increased resource development activity such as the Reed proposal. Government willingness to involve native groups in decision-making has been quite limited despite policy statements to the contrary. In fact, the record would suggest that despite guidelines for land use planning set down by the Ministry of Natural Resource in 1974 requiring that those most affected by land use activities be involved at all stages of the process, participation in such processes has been limited to being informed; to a large extent consultation with such groups has remained almost non-existent. Even the minister of Natural Resources has publicly conceded that the natives have not been fully consulted in resource development decisions (Rickard, 1977: 19). With respect to primary resource development:

... Treaty #9 is fighting for our people to ensure that we have every opportunity to develop at our own chosen pace of development thrust upon us from the outside (Rickard, 1977: 2).

The natives are not opposed to development per se, in fact too many believe that their future is dependent on a strong economic base. But, full participation in all stages of the planning and implementation process is a necessary prerequisite for the natives. They

want some element of control over economic plans at a community level: in other words, development of their own local government.

Local government means that the band councils handle all development programmes, committees and other projects in the community. The band councils must be supported with all available development resources from government agencies. (Rickard, 1977: 3).

Also economic development must consider traditional land use patterns

The importance of including all the local inhabitants in the decision-making process is fundamental to any democratic system of government. Therefore, we recommend the establishment of flexible forms of local government with some planning and control authority over resource development within its boundaries. The structural forms of these governments should be sufficiently flexible to accommodate northerners and in particular, the natives, in more meaningful self-government.

6.1 Tactics

This section is intended to outline the means by which the various groups attempt to influence public decisions and assess their impacts on governmental policies. As Hoffman (1975) points out,

relations (of the general public and government) will in all likelihood vary depending on knowledge of the political process, resources and access to holders of power in the system. p.272

Proximity to political powers is important as some groups have privileged contact (e.g., Ontario Federation of Labour). Corporations acquire a great deal of power through economic means; the welfare of Canadians is to a large extent dependent on corporations. Other groups (e.g., Pollution Probe), receive funding from government sources which signifies a special relationship. Still some interest groups lack the organizational skills as well as access to governmental bodies to adequately convey their concerns. Many authors have claimed that northerners and native groups fall into this latter category. Methods utilized by groups to influence public decisions vary tremendously. Some groups attempt to influence change by sending briefs to cabinet members and M.P.P.'s, while others have annual presentations, demonstrations, or news media coverage.

Each interest group employs a different means to influence decisions and each group has relationships at various levels of government. Municipal governments in the north tend to have a close working relationship with the Ministry of Northern Affairs because they often receive funds from them. This Ministry's coordinating role permits influence over resource decisions, but other factors often impede its authority. Northern Affairs has only emerged recently and adopted a variety of policies and programmes from various sources but has not yet developed an overall strategy. In addition, because the Ministry of Northern Affairs is not a line ministry, it may have difficulty fraternizing with line ministries to implement programmes. Therefore, it is too early to evaluate the impact of the ministry on northern resource decision-making.

Corporations utilize more channels than other groups to affect governmental decisions (see chart, p.92). In addition, corporations often have 'special' relationships with higher members of government. As opposed to other interest groups, industries have far greater financial resources which can be utilized for advertising promotion, and other methods of persuasion. Economic benefits derived from resource developments, as described earlier, provide industry with strong influential power.

Two major groups (i.e., environmental groups, wilderness groups) advocate development with some contingencies, and each group employs different governmental channels. Environmental groups tend to direct their efforts towards the Ministry of Environment. Since the initial decisions to commence studies on resource development proposals are conducted by the Ministry of Natural Resources, the Ministry of Environment often plays a secondary role in resource decisions (Ellis, 1977). Generally wilderness groups direct their attention to the Ministry of Natural Resources since lands and forests, and other outdoor recreation are within this ministry's jurisdiction. However, as previously noted, the concerns of wilderness areas within the Ministry of Natural Resources are generally overpowered by decisions for resource development within this ministry.

Native groups have not tended to be a dominant force in northern resource developments, but have recently become more organized and thus more politically powerful. But natives find themselves in the unfortunate situation of dealing with land claims on a federal level, whereas problems concerning resource developments are

on a provincial level. The Ministry of Natural Resources, and recently the Royal Commission on the Northern Environment are the two main foci for the natives. However, neither of these governmental bodies appear to be well equipped to deal with native concerns. Some of the native issues, such as trapping and fishing rights are partially dealt with by Natural Resources, but jurisdictional issues must be dealt at a federal level. Also, there is no ministry which is fully capable of dealing with concerns expressed by the natives of cultural erosion and social disruption caused by resource developments. The absence of governmental mechanisms to deal with such concerns is presently a major deficiency of resource decisions. Therefore, we recommend that a governmental body or mechanism be established to permit social concerns to be effectively incorporated into the decision-making process.

6.2 Conclusions

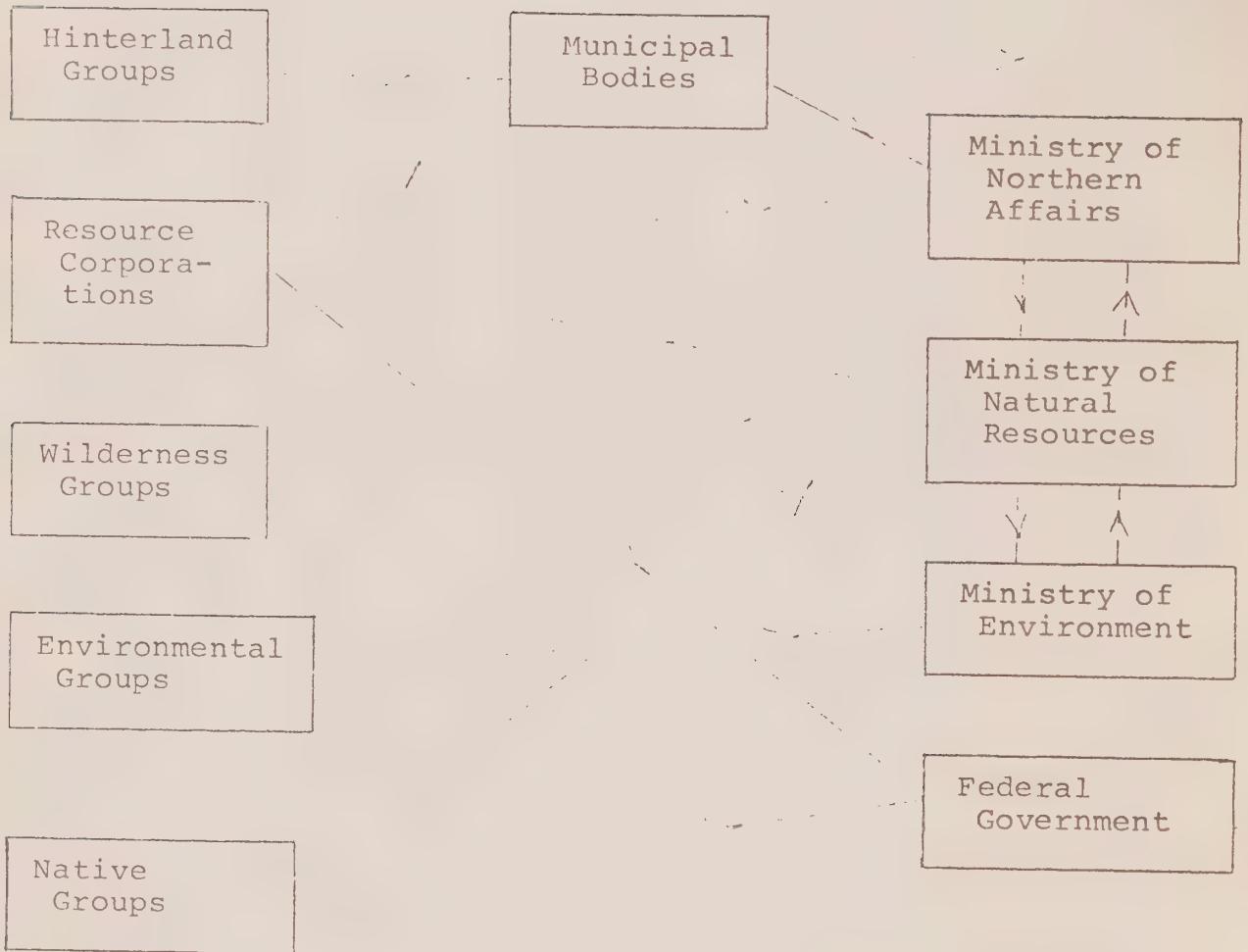
Generally, the perspectives on resource development in northern Ontario are not dichotomous; with some groups for development and other groups against development. Most groups, however, would like to see development continue, but with contingencies such as greater environmental safeguards, a reduction of social impacts or development in limited geographic areas. On one hand, it is essential to protect the northern communities from the social and environmental damage which can be caused by industrial development, but on the other hand, the importance of stimulating the economy and making the area attractive to investors, handicaps the level of governmental involvement. The result has largely been that no

one group has been entirely content with the provincial government's resource policies. Forestry and especially mining operations are discontented with governmental regulations; the municipal governments and most northerners want a greater portion of the resources to be processed in the north; wilderness groups feel their concerns are not adequately addressed; environmental groups desire more stringent environmental standards; and the native groups feel their land rights are violated, as well their traditional lifestyles are being threatened. Though no groups are entirely content with the government's decisions, corporations tend to have the most influence over the government's conclusions.

An overview of interest tactics indicate a complex framework for decision-making. The various interest groups deal with different ministries and different governments (i.e., municipal, provincial and federal) to effect decisions. The complexity of the system makes it difficult to analyze. The decisional chart schematically represents our viewpoint of the decisional making process on resource development. The solid lines indicate a strong influence of one body over another, the broken lines indicate a moderate influence and no line indicates little or no direct influence. The diagram indicates the comparative influence of corporations concerning resource decisions and indicates also that major outputs for resource decisions are made at four levels.

This situation has not led to a unified policy regarding resource development but rather a quasi-policy (Simeon, 1976): a myriad of different policies -- some complementary, some overlapping, and some contradictory. Each group has concentrated on its own

DECISIONAL CHART



KEY:

—————

strong influence

moderate influence

no line indicates no/little influence

specific area of concern, which has resulted in a failure to relate all these concerns to planning for resource development in northern Ontario as a whole. The objectives of groups conflict in many cases, thereby creating a dilemma for the government to determine how much weight should be given to any one objective relative to another,

The traditional economic and social benefits to which we aspire are obtained at the growing risk of environmental damage or destruction, resource depletion, and potential national and international discord (Smithies, 1974: 69).

The resolution of such dilemmas is at the heart of the decision-making process.

In order for a resource decision to be "legitimate" it is necessary that the priorities and interests of all groups be expressed in public policy. The government's tendency has been to respond to interest group expressions rather than development of comprehensive planning. The influences and resources of various groups are not equal and thus policies have often been lopsided. Policies should reflect societal values and attempts should be initiated to obtain opinions on resource issues from northern residents. These opinions should be incorporated in an overall planning process. Such a proactive approach will permit the detection of pressures and result in an equitable resource strategy.

7. Recommendations

Many areas within the realm of governmental decision-making related to resource development have been examined in this paper. The crux of governmental decision-making is the weighing of concerns and values expressed by a multitude of groups. The purpose of this paper was not to determine what decisions should be made, but rather, how decisions can be made more effectively. Problem areas in northern resource development were examined and the recommendations made were intended to reduce these problems. This chapter outlines the major recommendations. For an analysis of the problems from which these recommendations evolved, please refer to the text.

1. ... The establishment of a central agency or coordinating committee which is fed information from a number of ministries related to resource development and the purpose is to streamline resource activities.
2. ... The government operationally define all policy objectives.
3. ... The government adopt a more proactive comprehensive approach to planning in the North.
4. ... That compliance orders for new resource developments be clearly articulated and rigidly enforced.
5. ... The establishment of flexible forms of local government with some planning and control authority over resource development within its boundaries.
6. ... That a governmental body or mechanism be established to permit social concerns to be effectively incorporated into the decision-making process.

Environmental Assessment Act

7. ... That the Environmental Assessment Act and its regulations be amended to limit the amount of administrative and Ministerial discretion presently provided for in its application.
8. ... That the Environmental Assessment Act require such assessments to either be done internally or by objective and expert third parties or through some mechanism which would allow joint public-private sector control of such assessments with costs borne either by the proponent (as they are now) or through some form of cost-sharing arrangements.
9. ... That the S 7(2) of the Environmental Assessment Act be further amended to permit public input and response for proposed undertakings and their assessment at an earlier stage of the process.
10. ... That responsibility for the operation of the Environmental Assessment Act be given to an interministerial committee or committee of Cabinet or some other interdisciplinary mechanism or body.
11. ... That effective participation by all relevant interested parties could be encouraged perhaps through some limited funding arrangements.
12. ... That evaluative and decisional guidelines and criteria should be made public, explicit, and subject to frequent review.
13. ... That subject to the report of the Committee on Freedom of Information and Individual Privacy, the government move to improve information availability to those parties who require it.

APPENDIX 1

Methodology

The information obtained for this project was collected primarily from governmental agencies, representatives of interest groups and companies involved in primary resource development in Northern Ontario. In addition, material was collected from public libraries in Toronto and Thunder Bay and from private collections. Information was obtained from the following libraries: Ministry of Natural Resources, Department of Mines, Ministry of Environment, Ministry of Northern Affairs, Ministry of Labour, Metropolitan Toronto Library, York University Library, University of Toronto Library and Lakehead University Library.

The following list constitutes individuals and groups which contributed to the contents of this study.

Persons/Organizations Contacted

1. Interest Groups

<u>Name</u>	<u>Affiliation</u>	<u>Type of Contact</u>
Greg Thompson	Pollution Probe	Interview
Ron Ried	Ontario Federation of Naturalists	Interview
Nancy Redgrift (Executive Director)	Municipal Advisory Cttee.	Interview
Keith Jobbitt (President)	Thunder Bay Chambers of Commerce	Interview
W. W. Fullerton (President)	Ontario Foresters Assn.	Letter

2. Provincial Government Personnel

<u>Name</u>	<u>Affiliations</u>	<u>Type of Contact</u>
George Jewett (Exec. Director)	Ministry of Natural Resources (Division of Mines)	Interview
Bill Lees (Director of Regional Community Branch)	Ministry of Northern Affairs Thunder Bay	Interview
Alan Moon (Sr. Northern Regional Development Economist)	Ministry of Northern Affairs Thunder Bay	Interview
Bill Parks (Mgr. of Regional Development)	Ministry of Northern Affairs Thunder Bay	Interview
Jim Foulds	M.P.P., Port Arthur	Interview
Jack Stokes	M.P.P., Speaker of the House	Interview

3. Companies or Representatives of Northern Ontario Primary Resource Development

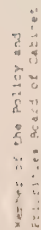
Jim Hughes (Executive Director)	Ontario Mining Association	Interview
William Hall (Vice-President)	Abitibi-Price Inc.	Letter
Reg Willoughby (Senior Counsel)	Texasgulf Inc.	Letter

Responses to letters were also received from American Can of Canada Ltd., Rio Algom Ltd., Canadian Pacific Ltd., Mattabi Mines Ltd., and Algoma Steel.

4. Professionals

Geoffrey Weller Associate Professor	Lakehead University Thunder Bay Dept. of Political Studies	Interview
Rodger Schwass Dean	York University Toronto Environment Studies	Interview
Edgar Dosman Professor	York University Toronto Political Science	Interview

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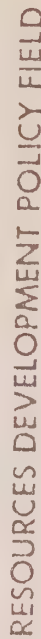


Member of the Management
Board of Cabnet

Member, Civic Club
Columbia College

Member of the Cancer
Committee on Wage
and Finance Control

Woods, J. R. 1993

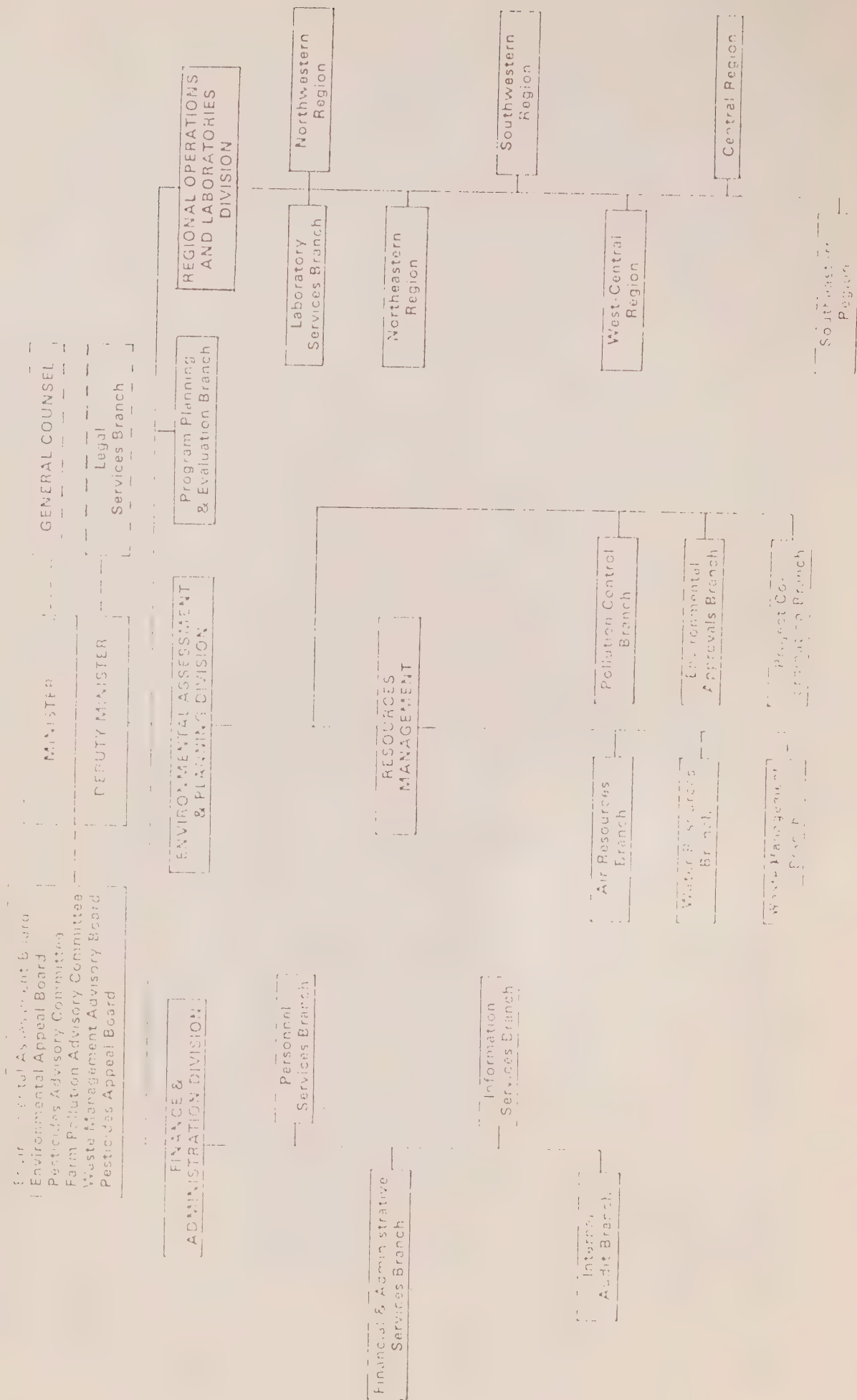


JUSTICE POLICY FIELD

SOCIAL DEVELOPMENT POLICY FIELD

STANDARD
FROM DESIGN SUB-DIVISION INTO

MINISTRY OF THE ENVIRONMENT — AUGUST 1, 1979



THE
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